

British Steel has lost £2m a day in past year

The British Steel Corporation lost £660m last year, equivalent to £2m a day. MPs were told yesterday. The huge deficit is likely to be raised in the Commons today when the Iron and Steel Bill comes up for second reading. Mr Ian MacGregor, BSC chairman, said he believed the corporation would soon escape from a "fairy-tale world".

Chairman sees end to 'fairy-tale world'

Peter Hill, BSC chairman, said the corporation lost £660m last year, equivalent to £2m a day. MPs were told yesterday. The huge deficit is likely to be raised in the Commons today when the Iron and Steel Bill comes up for second reading. Mr Ian MacGregor, BSC chairman, said he believed the corporation would soon escape from a "fairy-tale world".

The BSC chairman, and other senior executives, agreed that on the basis of the BSC's plan drawn up in December 1979, the corporation had been losing £2m a day in the past year. It is still hoping to cut the overall loss in the coming year to £315m. Mr MacGregor told MPs the plan was based on the assumption that the decline in economic activity would stabilize in the first quarter of the new financial year, and thereafter expected a modest improvement of between 3 and 5 per cent. But he reaffirmed the close monitoring which the corporation was carrying out weekly on every aspect of its business, and gave a warning that, if any sector failed to meet performance targets, further closures would be ordered. Asked when he thought the BSC might remove itself from a "fairy tale world", Mr MacGregor replied: "We would expect to get into the real world by the end of this calendar year and by the end of the 1982 calendar year we shall be back in the flesh." Last month Sir Keith Joseph, Secretary of State for Industry, said that the latest tranche of taxpayers' money represented BSC's last chance and Mr MacGregor was asked if he considered next year's cash limit as immutable. He said that he did not expect Sir Keith to change his mind, and added that the corporation would have to use its ingenuity to remain within that limit, if for any reason it was deflected.

Business Diary, page 21



The ailing Mr Edward Heath enjoying the south Devon sunshine on doctor's orders yesterday. Having cancelled all engagements for the coming month on health grounds, the former Prime Minister is convalescing in Torquay. He moved in 11 days ago

and, apart from attending the vital Budget vote, he leaves the hotel only twice a day for a stroll. He was well wrapped up against the sea breeze and few people recognized him, sandwiched between bodyguards. He would only say: "I am enjoying myself."

S African forces raid Swapo in Angola

From Ray Kennedy
Johannesburg, March 18
South African forces were reported today to have been in action on two fronts—deep inside southern Angola and in Mozambique—in a serious stepping-up of operations against what Mr P. W. Botha, the Prime Minister, has called the "total onslaught".

The raid into Angola was announced by General Constand Viljoen, Chief of the Defence Force. It was one of the rare occasions when South Africa admitted a raid into Angolan territory before any claims were made by the Government in Luanda.

At the same time the South African military authorities rejected Mozambique claims that there had been a six-hour battle with Frelimo troops near Oro Point, close to the border with Natal, close to the border with Natal.

They said a corporal was killed when Frelimo troops opened fire on South African soldiers who had "unsuspectingly and probably innocently" strayed across the unmarked border between Natal and Mozambique while walking on the beach. They had been led into an ambush, the South African statement said.

A flying column of South African troops, driving Soviet vehicles captured in Angola and painted in Frelimo colours, crossed the Mozambique border late in January and attacked a base of the African National Congress near Maputo.

The Angolan raid, according to the South African Defence Force, was launched yesterday against a key base of the South West African People's Organisation (Swapo) near Lubango, 125 miles north of the Namibian (South West African) border.

The South African statement said the raid had been a "great success" and was carried out at 1.30 pm yesterday when 1,000 or more recruits in the camp were at lunch.

The statement said there were probably Russian, Cuban and East German advisers in the camp at the time. All South African aircraft had returned safely to base.

It added: "South Africa has repeatedly warned that all terrorist bases will be located and attacked, even if they are in a neighbouring country."

Mozambique's news agency, AIM, said two South Africans were killed—South Africa said one—when a group of mainly black South African troops was intercepted by a Frelimo patrol at Oro Point.

It said the South Africans were spotted at the end of a three mile inside Mozambique and by mid-morning they had been reinforced by about 150 men and two assault cars. Fighting continued until 3 pm, when the South Africans withdrew, AIM said.

It claimed the body of one South African was carried back across the border, but that of the other dead man was in a mortuary at Maputo. Large numbers of South African troops were still in position on the Natal side of the border, the AIM report said.

Mr Steel says naming diplomat may be abuse of privilege

By George Clark
Political Correspondent
Mr David Steel, leader of the Liberal Party, suggested in the Commons yesterday that two questions relating to Sir Peter Hayman, retired diplomat and former British High Commissioner in Canada, appearing on the day's order paper, could be an abuse of parliamentary privilege.

The Liberals claim that Mr Steel was expressing the doubts felt by many MPs about the propriety of naming Sir Peter Hayman, Conservative MP for Huddersfield, West, has used the protection of privilege to name the former diplomat, who was mentioned as a senior civil servant in the context of a trial involving Tom O'Carroll, chairman of the Paedophile Information Exchange. Mr O'Carroll was sentenced at the Central Criminal Court to two years' imprisonment for conspiring to corrupt public morals.

One of Mr Dickens's questions, down for answer today, reads: "To ask the Attorney General if he will prosecute Sir Peter Hayman under the Post Office Act for sending and receiving pornographic material through the Royal Mail."

Addressing the Speaker on a point of order, Mr Steel said that, as a member of the Committee of Privileges, he was naturally concerned that parliamentary privilege should be at all times defended. But, he added, "I submit it is difficult to defend if there is a sign on occasion that it is abused."

He referred to two questions. The second from Mr Dickens was to Mr Francis Fynn, the Chancellor of the Duchy of Lancaster and Leader of the House, asking "if he will move to set up a select committee to investigate the security implications of the entries contained within the volumes of Sir Peter Hayman's diaries referred to in the trial of Tom O'Carroll at the Old Bailey."

Mr Steel said both questions named a retired public servant and asked for further inquiries into his activities.

"Presumably we all have a duty if we feel something of this nature requires to be investigated, to use our considerable powers of doing that privately and be careful about bandying names about, even in this Chamber," Mr Steel said.

"I submit it is an extension of the use of privilege not even to name a person in this Chamber but to use the order paper as a means of doing so."

Mr Steel suggested that it was creating a "dubious precedent of which we should be careful."

The Speaker, Mr George Thomas, replied that the privilege of free speech was the House's most cherished possession. "There is a special obligation on us all to make sure that we never abuse that privilege."

He ruled that the two questions referred to by Mr Steel were "technically in order, otherwise they would not have appeared on the order paper."

"I can really say no more than that," he added.

Parliamentary report, page 10



MP's questions anger Hayman solicitor

By Richard Ford and Stewart Tendler
Sir Michael Havers, the Attorney General, last night prepared a detailed Commons statement on the case of Sir Peter Hayman, the former diplomat named yesterday in connection with the Paedophile Information Exchange.

Sir Peter's identity was revealed after some days of speculation in a written question tabled by Mr Geoffrey Dickens, Conservative MP for Huddersfield, West. Mr Dickens wants to know if there is any security risk involved in Sir Peter's link with the Paedophile Information Exchange and why he was not prosecuted for sending obscene material through the post.

The diplomat has made no comment about his identification but yesterday Sir David Napley, his solicitor, denounced Mr Dickens's questions as "irresponsible". He said he hoped the Attorney General's statement would "put this nonsense into proper perspective."

This morning he expressed his disappointment that the competent authority charged with the responsibility of taking the decision about prosecution.

Rumours about Sir Peter began during a trial at the Central Criminal Court of Mr Thomas O'Carroll, chairman of the Paedophile Information Exchange. In the course of the trial, which ended last week with the jailing of Mr O'Carroll, reference was made to an unnamed senior civil servant.

Sir Peter had been mentioned twice in the Private Eye satirical magazine and at the weekend Mr Dickens announced that he would name him. The MP urged Sir Michael not to name the diplomat, claimed that there may have been an "establishment cover-up".

Mr Dickens claimed police officers investigating the paedophile exchange from the middle of 1978 had been "absolutely staggered" that the diplomat had not been charged. His flat in west London was raided during the inquiry.

It is alleged that more than 40 diaries were discovered cataloguing sexual fantasies, obscene pictures and letters from men involved in paedophilia.

Continued on page 2, col 8

Taking the lid off a dustbin census

By Craig Seton
How many dustbins are there in Chesterfield? Three months from now the borough council in Derbyshire will know or it has taken on eight previously unemployed girls to spend the spring and early summer counting them.

They will go dustbin spotting at every one of the town's 44,500 properties under a Manpower Services Commission community service scheme for unemployed young people.

Chesterfield council is ready for the project because it has public money and census that the exact whereabouts of the town's refuse containers is essential for the efficient and economical deployment of its collection squads which cost £620,000 a year.

A spokesman said the work was particularly useful and important because the Budget's sharp rise in fuel costs made it ever more difficult to have efficient rounds for refuse vehicles.

Moreover, 8,600 people were out of work in the Chesterfield area and the scheme, together with several others, had taken about 350 unemployed school-leavers out of the dole queue.

The girls, aged between 16 and 18, will be split into two groups each headed by a supervisor. They will be paid £23.50 a week by the Manpower Services Commission while the council will provide protective clothing.

The spokesman said: "It is certainly not a useless job. With slum clearances, house building and other changes we need to know precisely where refuse containers are located on the rounds."

The girls will work on foot and expect to finish their task in three months. They have been supplied with council identity cards to allay any public alarm while they pry into the town's backyards for dustbins.

Other young people in Chesterfield have been engaged to clean canal banks, refurbish two offices for use during the scheme and others will decorate the homes of the elderly and infirm.

Last year South Yorkshire County Council was criticized when it started similar schemes which included counting lamp posts, checking on drains and an inventory of road signs, kerbs and gulleys.

Two more Maze prisoners will begin fast

From Christopher Thomas
Belfast
Two more republican prisoners at the Maze prison, near Belfast, are to go on hunger strike from Sunday in support of the demand for political status.

They will join Mr Bobby Sands, who has not eaten since March 1, and Mr Francis Hughes, who began fasting last Sunday.

They were named in west Belfast yesterday as Mr "Patsy" O'Hara, aged 24, from Londonderry, who was sentenced to eight years in 1973; and Mr Raymond McCreech, aged 24, from Camlough, South Armagh, who was sentenced in 1976 to 14 years for attempted murder.

Labour P joins Social Democrats

Ed Emery, Labour MP, is today expected to join the Social Democrats. He is expected to announce his decision to leave the Labour Party and join the Social Democrats.

Mr Emery, who served as Solicitor-General and Lord Advocate, has recently said as much.

Others were Lord Bull, a historian, and Lord of Walton, both cross-benchers, and Lord Sainsbury, a grocery chain, who was a peer.

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Competition holding down petrol price by 5p a gallon, Shell says

By Nicholas Hirst
Energy Correspondent
A warning that petrol prices should rise by 5p a gallon on top of the 20p Budget increase was given by Shell yesterday.

Last night Mr Philip Shellbourne, head of the British National Oil Corporation, said that, as a result of Budget rises in North Sea oil tax, the state-owned oil corporation would withdraw plans to extend the Thistle field.

Shell said it was losing money on every gallon sold at present prices. The company said it wanted to raise the price of petrol and other oil products by 4p or 5p a gallon, but was being prevented from doing so by intense competition among the oil companies.

According to Department of Energy figures, petrol net of tax in the United Kingdom was 4p cheaper than in West Germany and high sulphur fuel oil was 13p a tonne cheaper, while for large users Shell estimated it was up to £20 a tonne cheaper.

To bring refining and marketing back to profitability between 4p and 5p would have to be added to a gallon of petrol by taking off the rebates, at present being given to retailers

to enable them to keep their market share without losing money themselves. This would mean the price of four-star rising to around 150p a gallon, a rise of 25p since the Budget.

Shell said it was trying continuously to reduce the rebates offered to retailers, but price rises put into effect in January had not held because of the competition. It might be, however, that the losses throughout the industry were becoming so severe that an increase would soon be possible. Other companies have also indicated they would like to raise pump prices by 4p or 5p.

Losses on refining and marketing have been exacerbated by the increase in North Sea taxes.

The recession and taxation changes, which will cost the United Kingdom arm of the Royal Dutch/Shell group £125m in 1981, have caused investment to be reappraised and some capital expenditure has already been cut back.

After a 22 per cent reduction in net income from £476m to £373m last year, Mr John Raisman, Shell's chairman, expects "substantially lower profits" and an outflow of cash this year.

Shell is also reconsidering drilling cutbacks, after BNO's decision and the announcement last week by Occidental that it would not go ahead with plans for North Claymore.

Mr John Jennings, head of exploration and development, said the company was having to review spending on exploration in deeper waters because of the combined effects of the increased North Sea tax and a reappraisal of the geology.

Spending on development of the smaller fields which Shell had been considering would also have to be looked at again. The relatively marginal Tern field will 'come before the Shell board for a decision later this year.

But Mr Raisman said that overall investment would continue at the £600m figure of last year. Total North Sea taxes would be almost doubled to around £220m because of the imposition of the new Supplementary Petroleum Duty.

Shell would be taking up the Chancellor of the Exchequer's offer to cooperate on trying to reform the North Sea tax system.

BNO's cuts back, page 20

Search fails to find fishing boat and 6 crew

An air and sea search off the northern coast of Scotland failed to find the fishing boat Celerity from Buckie, Banffshire. The vessel, with six crew, vanished early yesterday from the radar screen of a fishing boat accompanying her. There was a very rough sea, with a gale blowing.

Bank staff's support

A bank staff union announced its support for striking Inland Revenue civil servants. Members of the Banking, Insurance and Finance Union will probably be asked not to deal with payments to the Inland Revenue which they do not normally handle.

Coup facts revealed

Spanish journalists aided by several MPs defied the Government and published the full facts of last month's failed military coup. The Government's version, based on official investigations, was known to MPs in a secret Cortes session.

Haig pledge of full US power in Gulf

Because the Gulf region was a vital American concern, the United States would use the full range of its power to defend the status quo, Mr Alexander Haig, the Secretary of State told a Congressional hearing on security assistance funds.

Pay rises slow down

The annual rate of increase in earnings is slowing down. The latest Department of Employment figures show that it fell in January to 1.7 per cent from 1.8 per cent the previous month. A sharper drop is expected in the coming months.

Maghreb tension

The attempted coup in Mauritania has heightened tension in the Maghreb. In spite of vehement official denials from King Hassan's Government, the Mauritians said the move was engineered by Moroccan diplomats agreed.

Gunman in flat siege

A woman was held at gunpoint by her former husband who burst into her flat in Harrogate, North Yorkshire. Police who tried to talk him out of the siege said he was "somewhat distressed".

Two English teams survive in Europe

Liverpool beat CSKA 1-0 in Sofia for a 6-1 aggregate win and Ipswich Town defeated Saint-Etienne 3-1 for a 7-2 overall victory in European football competition. West Ham, despite winning 1-0 in Thilist, and Newport County, beaten 1-0 by Carl Zeiss Jena, lost on aggregate.

West Indies win

West Indies beat England by 298 runs in the third Test match in Bridgetown. Gooch scored 116 and the tail-end batsmen helped to delay the finish until after lunch.

University cuts: Lecturers' union believes that heavy redundancies can be avoided.

Paris: The Elysée affirms that the proceeds of the Bokassa diamonds were sent to Central Africa for the Red Cross.

Classified advertisements: Personal, pages 26, 28; La crème de la crème, 26; Appointments, 7; Recruitment opportunities, 25, 26.

Leader page, 15

Letters: On Parliament and the public purse, from Sir Douglas Hensley; universities and the economy, from Professor M. R. Raftery; names of former envoys, from Mr Julian Fellowes.

Attacks on black

Features, pages 8, 14
Mrs Thatcher and the two-Cabinet system, by Ronald Butt; Trevor Fishlock on Bangladesh 10 years after its birth; Bernard Levin has some useful tips.

Arts, page 11
John Hargrave talks to Giuseppe di Stefano; Joan Bakewell on Playhouse (ITV); Ned Chaillet on Present Laughter (Vaudeville Theatre); Anthony Masters on Blood Pudding (ICA).

Sport, pages 12, 13
Rowing: Leander consider admission of women; Racing: Outsider beats Anaglogs Daubier at Cheltenham.

Obituary, page 16
Mrs Q. D. Leavis, Professor J. H. Woodger, Herr Paul Hörbiger.

Books, page 17
Michael Rattiffe on "Abrud: British Literary Travels"; between the Wars" by Paul Fussell; reviews of "Alas, alas for England" by Louis Heren, "The Syrian Experiments" by Doris Lessing.

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Foot challenge to defectors to put seats at risk

By George Clark
Political Correspondent

Mr Michael Foot, leader of the Opposition, yesterday poured scorn on the renegade Labour MPs who are taking part in the launching of the social democratic party on March 26. He challenged them to resign their seats and try to regain them under their new colours.

He also forecast that at the general election the social democrats would not win a single seat and that the large part of their funds would be required to pay out lost deposits.

The next general election, he told MPs and journalists at a Parliamentary Press Gallery luncheon, would present a choice between the two great political parties of the state: the Labour Party, coming from the roots of those parties up and down the country, and not from "edicts delivered in London" (a reference to the social democrats' proposed method of promulgating their first statement of aims).

"It is going to be as great and critical a contest as anyone has seen in our history," Mr Foot said, adding that he thought the result would be close. Some of his audience thought he was being unusually reticent in not forecasting a Labour victory.

His first prophecy concerned Mrs Margaret Thatcher. "She will still be the leader of the Conservative Party, and for very good reason that she herself has described, because of the guilelessness of her fellow Cabinet ministers," Mr Foot said. "And I am sure that she will apply to the Conservative backbenchers."

She had explained that clearly at The Guardian lunch last week when she had been referring exactly to those members of the Conservative Party who would not be engaging in a conspiracy to get her removed, he said.

So she would still be there, and he had no doubt that of all the Tory themes that might

be adopted by Saatchi and Saatchi for the headlines and the posters the problem of unemployment, the main theme last time, would not be one. And there would not be even an oblique reference to the Government's medium-term financial strategy.

"They will do what Conservative parties have always done in such circumstances: they will see how they can make an assault on the patriotism of the Labour Party. They have always done that when they have their backs against the wall."

"They will seek to discover some way in which labels can be placed on the Labour Party, for example, that we want to introduce an East European system, or something of that sort. All these ideas will float across their minds."

As for the social democrats, Mr Foot said that some polls gave a prospect of social democratic winning support. "I do not believe the polls on this," he said.

But the public was told that the social democrats believed that "if they do, why are they not running to the polls themselves?"

Anti-Militant campaign: Mr Foot last night told Labour backbenchers he shared the view that there should be a more coherent counter-attack against the Militant Tendency inside the party (Michael Harfield writes).

The party leader, who has previously referred to "pernicious" groups, made his statement to the centre-right Manifesto Group of Labour MPs. However, he was not in favour of proscribing members unless there was clear evidence that they were in breach of the party constitution.

Mr Foot attended the Manifesto Group meeting to listen rather than express his own views, but it was clear that he supported Lord Underhill, former national agent of the party, in his campaign against Trotskyist influences.

Diary, page 14

Fears for six in missing boat

From Ronald Faux
Wick

An air and sea search of the Penland Firth was made yesterday for signs of the fishing vessel Celerity from Buckie, Banffshire, which disappeared with six men on board.

The 65ft boat was believed to be heading from the west coast fishing grounds for Peterhead. She was sailing through stormy seas early yesterday when radio contact was lost, and she vanished from the radar screen of a vessel accompanying her.

One theory is that the skipper, Mr Sandy Bruce, of Cullen, near Banff, may have decided to take his catch to the Peterhead market, where prices are higher.

The coastguard at Wick, from where the search was coordinated, said the last contact with the Celerity was at 5.15 am yesterday when she had been speaking to the Crystal Sea, a fishing boat from Macduff, a neighbouring port on the Banffshire coast.

"The skipper had the Celerity on radar five miles ahead at the time when suddenly contact was lost and she disappeared from the screen. The weather was very bad at the time, with snow blizzards, gale-force winds, and a very rough sea in a highly dangerous area," the coastguard said.

The crew of the Celerity was named last night as Mr Bruce, aged 38, Mr Francis Goodall, aged 37, Mr Roger Clark, aged 37, Mr George Reid, aged 35, and Mr John Innes, aged 45, all from Buckie, and Mr William Grant, aged 21, from Port Gordon. All are married, with children.

Buckie, which earns its living from the sea, has lost several boats and many men since the Bounteous sank in January, 1980. In the past year, the Department of Trade has investigated 17 casualties, some fatal, others badly injured, among fishermen from North-east ports.

Freeze on vacancies and more retirements at 50 seen as way out for threatened dons

University job cuts can be avoided, union says

By Diana Geddes
Education Correspondent

The Association of University Teachers believes it has found a way of avoiding the big compulsory redundancies that are said to be needed to meet the Government's cuts in university income. It will be putting its plans to ministers, vice-chancellors and the University Grants Committee during the next two weeks.

The committee estimates that at best 3,000 academic staff will have to be made redundant over the next three years. That is in addition to 3,000 jobs which are expected to be lost through natural wastage and retirement but includes an allowance of 500 to 1,000 new appointments to fill vital posts as they fall vacant.

According to the committee's most optimistic assessment, more than 5,000 jobs will have to be shed from among the 33,000 full-time academic staff in universities, or 15 per cent of the total, to meet an estimated cut in university income of 11 per cent by 1983-84.

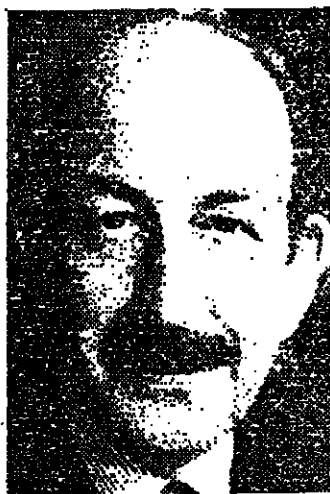
If, as the Committee of Vice-Chancellors and Principals has predicted, the cut in income is closer to 15 per cent, then the number of academic jobs losses required would rise to about 7,000, or more than a fifth of the total.

In addition, the University Grants Committee estimates that about 4,000 of the 55,000 non-academic staff would have to be made redundant. That, too, is in addition to the thousands of jobs expected to be lost through natural wastage.

Mr Laurence Sapper, general secretary of the Association of University Teachers, said yesterday that the union believed that compulsory redundancies among academic staff could be avoided by a combination of freezing all vacant posts; extending the early retirement scheme which enables dons to save drawing pensions from the age of 50; and by allowing universities to spend up to a third of their equipment grant on retaining staff.

Last year's equipment grant for universities totalled £80m. "We believe that the most valuable piece of equipment in a university is something with two legs and a brain".

The union is strongly opposed to a growing practice among universities of appointing



Mr Sapper: Fight for tenure.

for universities totalled £80m. "We believe that the most valuable piece of equipment in a university is something with two legs and a brain".

The union is strongly opposed to a growing practice among universities of appointing

academic staff on short-term contracts. That avoids granting them security of tenure until retirement which, according to the committee of vice-chancellors, is enjoyed by more than 90 per cent of university teachers.

Once a don has tenure, it appears that he cannot be dismissed without "good cause". That is usually defined in university statutes and charters as meaning unless he is found guilty of conduct of "a scandalous or disgraceful nature", of being unable to fulfil the duties of his post because of mental or physical illness, or of bringing the university into disrepute.

Only two or three dismissals a year occur under the "good cause" procedure. The matter will probably be settled only through a test case in the courts.

The University Grants Committee "estimate", given to the Commons Public Accounts Committee on Tuesday, of a £40,000 to £80,000 cost for each compulsory redundancy among

academic staff includes allowance for breach of contract damages. It appears that the universities' grant committee has some effect. The Government has agreed to reopen discussions on the amount money the universities expect to get from the 1982-83 and 1983-84, and the redundancy fund.

Sir James Hamilton, permanent secretary at the Department of Education and Science, the Public Accounts Committee, said the higher education pendulum figures for the years after 1981 were not firm.

"We still have to discuss exact effects of those cuts of overseas students and the degree to which shall have to meet redundancy payments, and whether payments will have to be made within the university budget," he said.

Parliamentary report, page 14

Legal fight opens on BSC plant closure

Workers at British Steel Corporation's plant in South Wales asked a High Court judge in London yesterday to set aside the corporation's plans to make 1,500 of them redundant. Trade unions representing men at the Velindre plant, near Swansea, claim the corporation failed in its legal duty to consult them over the plans.

Their counsel, Lord Gifford, told Mr Justice Mair they believed they had an overwhelming case for saving jobs at the plant. "We say the Velindre workforce has an exemplary record, that it has a case for being continued as a fully operational works, and that that case should have been fully and properly heard," he said.

Under the BSC's "rescue" plan, initiated by Mr Ian MacGregor, the chairman, it was

proposed to reduce the plant's workforce from 2,245 to 674. BSC has agreed not to issue redundancy notices before March 28, by which time it is expected the legal issue will have been decided.

The court hearing is expected to last until the end of the week, after which either side may appeal.

Lord Gifford said the Iron and Steel Act 1975, imposed a duty on BSC to consult with its workforce.

The corporation agreed it had not consulted employees, but claimed that the Act referred only to reviews of organizational structure, and not success.

The workers realized they could not dictate how consultation should be carried out or what conclusions should be reached afterwards, he said, but they believed they had "a fine record of profit and success". The hearing continues today.

Terrorism Act plea by Labour is rejected

By Hugh Noyes
Parliamentary Correspondent
Westminster

Mr William Whitelaw, the Home Secretary, last night in the Commons rejected the call from the Labour Party for an inquiry into the working of the Prevention of Terrorism Act.

The Act was introduced as a temporary measure six years ago after the Birmingham public house bombings in which 21 people were killed and 170 injured. It was renewed after the Home Secretary told MPs that a review would have no significant advantage. Coming only two and a half years after the investigation by Lord Shackleton into its operation.

While accepting that civil liberties might be infringed, that was the price MPs had always accepted must be paid for the most fundamental liberty of all, the liberty not to be killed or maimed when going about one's lawful business.

Mr Whitelaw told the House that since the 1974 Act came into force and up to the end of last month, 5,101 people had been detained under its provisions, 515 in the past year. Extension of detention had been granted in 669 cases, 120 in the past year.

Of those detained in the past year, 30 were charged with offences, including murder, attempted murder, explosives and terrorism offences, and 10 were charged with terrorism offences.

The Home Secretary added that the powers were an important and effective way of preventing terrorist activity in Great Britain. He shared the concern of the House that the Act should not remain in force any longer than was necessary and that it should be exercised with care and restraint. It must be a temporary measure and it was for the House each year to decide if it should be renewed.

Urging the case for an inquiry, Mr Roy Matherley, opposition spokesman on Home Affairs, said the need for a constant review had been accepted. The powers in the Act were tolerable in a free society only if they were absolutely necessary, unquestionably effective and properly operated.

The Labour Party wanted to be in a position to say with conviction that it was doing its best to protect society from the murderous mayhem of the IRA while at the same time preserving essential rights in a free society.

Parliamentary report, page 10

Prosecution papers sent to DPP in 1978

Continued from page 1

Sir Peter retired in 1974, a career which concluded four years as High Commissioner in Canada.

The paedophile Information Exchange was formed in 1978, establishing itself in London late that year or early the next.

The department of the Director of Public Prosecutions yesterday that papers concerning a possible prosecution were sent to them in 1978. The Post Office Act, 1953, is an offence to send or to send postal packets containing any indecent or obscene print, photograph, or film.

One of the possible defendants was a former diplomat, a spokesman for DPP said. The spokesman added: "The director applied the normal police criteria to postal prosecutions and to into consideration a number of factors, including whether the material was commercially available by the material and what the correspondence was used for."

"There was no evidence any other offence and directors advised that prosecution should be brought if possible," he said. Eight other people were considered by the DPP.

The following year, 19 other papers were sent to the DPP concerning the organization of the Paedophile Information Exchange, which resulted in a trial. The DPP spokesman said: "The former diplomat was never been an organizer of a body in question."

Mersey jobless march

More than 3,000 trade unionists on Merseyside yesterday joined a march through central Liverpool to protest against a local unemployment rate of nearly 16 per cent.

Correction

Social Democrats would capt 36 per cent of the national vote, according to a poll by the Liberals and not on 20 per cent as stated in a news report yesterday of a Gallup survey. The Labour percentage should have been 22 per cent, not 20 per cent. Gallup said yesterday that the survey taken between February 10 and

Sir Angus attacks 'populist Tories'

By Fred Emery
Political Editor

In the sharpest criticism so far of the backbench rebellion over petrol prices, Sir Angus Maude, a trusted member of Mrs Margaret Thatcher's Cabinet until the January reshuffle, yesterday spoke of "populist Tories who ran away on Monday".

In a speech at St Albans he said he would respect them more if they had suggested any constructive and convincing alternative. But if they rejected his, the Labour alternative of increased borrowing, "they must either suggest an alternative tax increase... or they must suggest public spending cuts of the same amount."

Sir Angus, who was often criticized privately by Cabinet colleagues for doing little, as he said, to get the Government's message across, none the less retained Mrs Thatcher's ear.

Sir Angus said that if the rebels proposed neither alternative taxes nor spending cuts "they are not being constructive in defence of their constituents' interests but weakly running away from an awkward choice". He went on: "This was, after all, the Chancellor's own dilemma once he had failed to persuade his colleagues to cut their spending further, but he, looking to the national interest, has not shirked it."

Sir Angus said he was glad the Chancellor had said he would insist on further public spending cuts, and he hoped "the same populist Tories who ran away on Monday will not start demonstrating against the cuts."

He added: "But I have a nasty feeling that some of them will."

Hongkong student aid

The Hongkong Government has approved an emergency fund to provide interest-free loans of up to £2,000 to assist Hongkong undergraduates in Britain who are experiencing financial hardship because of the recent big increase in tuition fees.

Some training boards will remain, Mr Prior says

By a Staff Reporter

Mr James Prior, Secretary of State for Employment, told the Commons Select Committee on Employment yesterday that although the Government wanted to move to more voluntary schemes for industrial training, a few of the statutory training boards would be retained in key sectors.

Denying that he had shown any lack of sensitivity in consultations with industry and trade unions over the employment Bill, which will give him the power to scrap industrial training boards, Mr Prior said no decisions would be taken until he had seen the Manpower Services Commission's report on industrial training.

Mr Prior was questioned about the effects of the Bill, introduced last autumn, which will shift the cost of organizing



Ching-Ching, London Zoo's ailing female giant panda, dozing from a sedative after a scan at University College Hospital. The panda was yesterday in the zoo's own hospital for observation.

Rees attack on energy relief plan

By Our Political Staff

A charge that the Government was using industrial energy prices as a "form of discriminating taxation upon consumers" was made yesterday by Mr Merlyn Rees, opposition spokesman on energy.

In a statement on the Budget relief for large users, Mr Rees, with his energy team, denounced the measures as "hopelessly inadequate and miserly"; the concessions were more modest than had at first been thought, he said.

On gas pricing the proposal "meant a freeze for eight months only, whereupon, presumably, the 1p per therm per quarter will begin all over again."

Mr Rees also said that few companies he had spoken to understood the electricity price concession, its value was £5m a year, and that the chemical industry alone reckoned it was disadvantaged by £100m compared with Continental competitors.

Bank staff promise strike support

By Donald Macintyre
Labour Reporter

The Banking, Insurance and Finance Union (BIFU) yesterday promised support for Inland Revenue civil servants blocking the payment of PAYE and national insurance contributions from employers.

That morale booster for tax staff came amid signs of escalation of the dispute in the Inland Revenue. A thousand staff at the computer centres at Shipley and Cumbernauld have been on strike for five days.

Local leaders of the Council of Civil Service Unions have called a mass demonstration outside Bush House, in London this morning, where 12 senior management members are spoiling the effect of the strike by processing income and corporation tax cheques each worth more than £5,500.

BIFU will give full details of its executive decision today. It is understood to include an instruction to staff at the clearing banks' computer centres not to process payments destined for the Inland Revenue which it would not normally handle.

The move, which was formally requested by the Civil Service unions, comes after the Government's call to employers making monthly payments of more than £10,000 to use clearing banks or the National Girobank instead of paying directly to the Inland Revenue.

BIFU is facing an imminent pay dispute of its own with employers who have offered a 91 per cent increase in pay for bank staff. The union has been called to talks with the English clearing banks today after indications that staff at Lloyds and Barclay's computer centres are backing industrial action as part of the union's own pay campaign.

Without an early settlement of the bank's staffs' dispute, those two computer centres are likely to be out of action before the end of the month, disrupting payments to the Inland Revenue.

Neither union leaders nor the Inland Revenue would indicate what effect the BIFU decision would have. Secrecism was expressed in the clearing banks, however, about whether their employees would be able to separate fresh payments made through local branches from the modest proportion already made under the credit transfer system available to employers.

The northern group of Labour MPs, who have expressed their concern about decisions taken by the Labour Party in Scotland, were joined last night by the north-west group. They total 70 MPs.

Mr Foot, who attempted unsuccessfully to pilot through the former Labour Administration's devolution proposals, clearly has a battle on his hands to maintain the party's commitment to devolution.

Labour rift over Scottish devolution plan

By Our Political Staff

A group of English Labour MPs is to tell Mr Michael Foot, party leader, on Tuesday that if a Scottish assembly is given tax-raising powers the same rights should be given to the English regions.

The northern group of Labour MPs, who have expressed their concern about decisions taken by the Labour Party in Scotland, were joined last night by the north-west group. They total 70 MPs.

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Citizen's band channel to be left for emergencies

By Our Political Correspondent

Clubs and individuals who intend to use citizen's band radio, to be legalized this year, will be asked to leave at least one channel free for emergency communications.

That was indicated last night by Mr Timothy Raison, Minister of State at the Home Office, in a letter to Mr Lewis Carter-Jones, Labour MP for Eccles.

Mr Raison said the free channel would be useful to disabled people, particularly the housebound, who could use it to summon help in emergencies or difficulties.

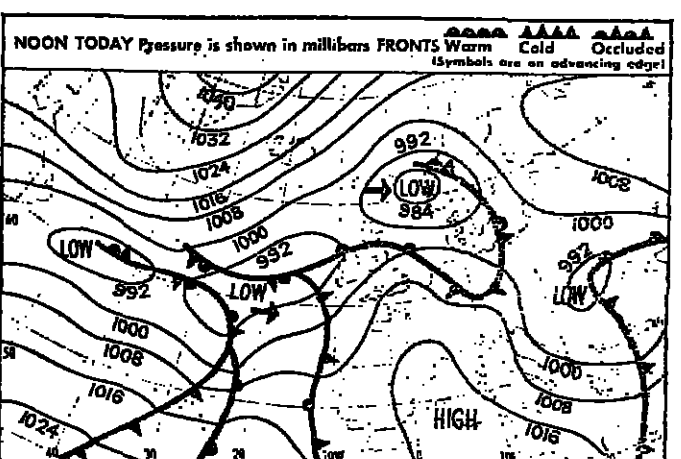
"It is appropriate that the facility will be legalized in the International Year of Disabled People and we hope that this aspect of the service will indeed be developed," Mr Raison said.

It is an area in which those clubs, organizations and individuals who have promoted the advantages of the facility should look to make a useful contribution.

He said the Government wanted to keep the service as free from regulations as possible. It hoped, by means of a code of practice, to encourage users to leave at least one channel free for emergencies.

Mr Carter-Jones had sent the minister correspondence from the Royal Institute for the Blind which raised the question of concessionary licences for disabled people. Replying on that point, Mr Raison said: "We have not finalized the licensing arrangements and will certainly keep this possibility in mind, but I am bound to say that it raises real difficulties."

Weather forecast and recordings



Today
Sun rises: 6.06 am. Sun sets: 6.12 pm.
Moon sets: 6.02 am. Moon rises: 4.57 pm.
Full Moon: Tomorrow.
Lighting up: 6.42 pm to 5.34 am.
High water: London Bridge, 1.03 am, 6.9m; 1.30 pm, 7.2m. Avonmouth, 6.42 am, 12.8m; 7.05 pm, 12.5m. Dover, 10.35 am, 6.2m; 10.45 pm, 6.4m. Hull, 5.46 am, 6.5m; 5.53 pm, 7.2m. Liverpool, 10.43 am, 8.9m; 11.3 pm, 8.9m. 11t=0.3048m. 1m=3.2808ft.

Pressure will remain low to the N of the British Isles, with a slow moving frontal trough across N parts.
Forecasts for 6 am to midnight:
London, East Angles, E, SE, Central N and Central S England, Midlands: Dry with sunny periods; wind SW, moderate; max temp 12°C (54°F).
Channel Islands, NW, SW England, Wales: Sunny intervals, cloudy with occasional rain; wind SW to S, moderate or fresh; max temp 11°C (52°F).

WEATHER REPORTS YESTERDAY MIDDAY: C, cloud; F, fair; R, rain; S, sun; SN, snow.
Aberdeen: C 11, S 25, Cloudy with rain. Glasgow: C 12, S 25, Cloudy with rain. London: C 12, S 25, Cloudy with rain. Manchester: C 12, S 25, Cloudy with rain. Newcastle: C 12, S 25, Cloudy with rain. Norwich: C 12, S 25, Cloudy with rain. Oxford: C 12, S 25, Cloudy with rain. Plymouth: C 12, S 25, Cloudy with rain. Reading: C 12, S 25, Cloudy with rain. Southampton: C 12, S 25, Cloudy with rain. Swansea: C 12, S 25, Cloudy with rain. Cardiff: C 12, S 25, Cloudy with rain. Belfast: C 12, S 25, Cloudy with rain. Dublin: C 12, S 25, Cloudy with rain. Edinburgh: C 12, S 25, Cloudy with rain. Liverpool: C 12, S 25, Cloudy with rain. Manchester: C 12, S 25, Cloudy with rain. Newcastle: C 12, S 25, Cloudy with rain. Norwich: C 12, S 25, Cloudy with rain. Oxford: C 12, S 25, Cloudy with rain. Plymouth: C 12, S 25, Cloudy with rain. Reading: C 12, S 25, Cloudy with rain. Southampton: C 12, S 25, Cloudy with rain. Swansea: C 12, S 25, Cloudy with rain. Cardiff: C 12, S 25, Cloudy with rain. Belfast: C 12, S 25, Cloudy with rain. Dublin: C 12, S 25, Cloudy with rain. Edinburgh: C 12, S 25, Cloudy with rain. Liverpool: C 12, S 25, Cloudy with rain. Manchester: C 12, S 25, Cloudy with rain. Newcastle: C 12, S 25, Cloudy with rain. Norwich: C 12, S 25, Cloudy with rain. Oxford: C 12, S 25, Cloudy with rain. Plymouth: C 12, S 25, Cloudy with rain. Reading: C 12, S 25, Cloudy with rain. Southampton: C 12, S 25, Cloudy with rain. Swansea: C 12, S 25, Cloudy with rain. Cardiff: C 12, S 25, Cloudy with rain. Belfast: C 12, S 25, Cloudy with rain. Dublin: C 12, S 25, Cloudy with rain. Edinburgh: C 12, S 25, Cloudy with rain. Liverpool: C 12, S 25, Cloudy with rain. Manchester: C 12, S 25, Cloudy with rain. Newcastle: C 12, S 25, Cloudy with rain. Norwich: C 12, S 25, Cloudy with rain. Oxford: C 12, S 25, Cloudy with rain. Plymouth: C 12, S 25, Cloudy with rain. Reading: C 12, S 25, Cloudy with rain. Southampton: C 12, S 25, Cloudy with rain. Swansea: C 12, S 25, Cloudy with rain. Cardiff: C 12, S 25, Cloudy with rain. Belfast: C 12, S 25, Cloudy with rain. Dublin: C 12, S 25, Cloudy with rain. Edinburgh: C 12, S 25, Cloudy with rain. Liverpool: C 12, S 25, Cloudy with rain. Manchester: C 12, S 25, Cloudy with rain. Newcastle: C 12, S 25, Cloudy with rain. Norwich: C 12, S 25, Cloudy with rain. Oxford: C 12, S 25, Cloudy with rain. Plymouth: C 12, S 25, Cloudy with rain. Reading: C 12, S 25, Cloudy with rain. Southampton: C 12, S 25, Cloudy with rain. Swansea: C 12, S 25, Cloudy with rain. Cardiff: C 12, S 25, Cloudy with rain. Belfast: C 12, S 25, Cloudy with rain. Dublin: C 12, S 25, Cloudy with rain. Edinburgh: C 12, S 25, Cloudy with rain. Liverpool: C 12, S 25, Cloudy with rain. Manchester: C 12, S 25, Cloudy with rain. Newcastle: C 12, S 25, Cloudy with rain. Norwich: C 12, S 25, Cloudy with rain. Oxford: C 12, S 25, Cloudy with rain. Plymouth: C 12, S 25, Cloudy with rain. Reading: C 12, S 25, Cloudy with rain. Southampton: C 12, S 25, Cloudy with rain. Swansea: C 12, S 25, Cloudy with rain. Cardiff: C 12, S 25, Cloudy with rain. Belfast: C 12, S 25, Cloudy with rain. Dublin: C 12, S 25, Cloudy with rain. Edinburgh: C 12, S 25, Cloudy with rain. Liverpool: C 12, S 25, Cloudy with rain. Manchester: C 12, S 25, Cloudy with rain. Newcastle: C 12, S 25, Cloudy with rain. Norwich: C 12, S 25, Cloudy with rain. Oxford: C 12, S 25, Cloudy with rain. Plymouth: C 12, S 25, Cloudy with rain. Reading: C 12, S 25, Cloudy with rain. Southampton: C 12, S 25, Cloudy with rain. Swansea: C 12, S 25, Cloudy with rain. Cardiff: C 12, S 25, Cloudy with rain. Belfast

Stop the Marxist flag flying over town halls, Tory chief says

By Christopher Warman
Local Government Correspondent

The Conservatives would be fighting to prevent the Marxist flag from flying over town halls in the local government elections in May, Lord Thorneycroft, chairman of the Conservative Party, said yesterday.

Launching the party's campaign at a press conference in London, he named Manchester and the Greater London Council as two authorities which faced that threat.

In Manchester the local Labour Party was seeking virtually to turn the council into a soviet in which the councillors would be puppets. "That is the Marxist flag", he declared.

Lord Thorneycroft said that in London there were Labour candidates who bore no relationship with the Labour Party, but who were undermining the moderates and were determined to gain control.

Sir Horace Cutler, leader of the GLC, will undoubtedly be defending the council on the record of the Conservative administration's record, but also to keep London out of the red.

He believed that much of the talk during the election campaign would be about what he left would do to the Tories, rather than the policies of the parties.

Speaking of the campaign throughout England and Wales, Lord Thorneycroft said the Conservatives started on a difficult wicket. They were defending seats won in 1977 at a time when the Labour Party was deeply unpopular, but he insisted that the Tories were not dependent, and rejected the suggestion that the harsh Budget would have an effect on the vote.

"What people want are courage, leadership and hope", he said.

Mr Marshall of Leeds, a vice-chairman of the party with special responsibilities for local government, believed they would not do as badly as some people thought.

He said people were concerned about spending, and noted that two out of every three county councils had levied a rate precept increase in single figures, less than the current inflation figure.

"These are probably the best indications that Conservative councils are much more careful in their spending than their opponents."

Other councils had levied precept rises in double figures in eight out of 10 cases.

Mr Michael Heseltine, Secretary of State for the Environment, acknowledged that it would be a very tough election campaign, but said that Conservative authorities had made substantial efforts to keep their spending under control, helped by the new block grant.

London faced a difficult year of transition because of the switch of resources away from the capital to the shire counties, he admitted.

NF group is planning march after city ban

Mr William Whitelaw, Home Secretary, has agreed to ban all political marches in Leicester for a month from tomorrow.

After a request by Mr Alan Goodson, the chief constable, The New National Front had planned a march for Sunday.

Several groups in the city asked the police to ban the march, and 8,000 people signed a petition requesting the ban.

Mr John Tyndall, the New National Front organiser, said yesterday: "It seems that pressure from left-wing agitators and coloured immigrants have forced the chief constable to capitulate. We shall be holding a march, but not revealing where it will take place."

The police said: "There was a lot of trouble at the last National Front march in Leicester, in 1979, and the chief constable feared there would be serious public disorder on Sunday."

Anti-racist groups were planning to hold counter-demonstrations if the march by the splinter group of the National Front went ahead.

The Home Secretary had earlier banned political marches in London this month.

Mr Goodson said yesterday that he was "frightened about the possibility of the march causing public disorder."

"I have taken into account the relationships between the various groups of people in Leicester and the likely disturbance to the peace that may be caused by the proposed march."

Mr Greville Janner, Labour MP for Leicester, West, wrote to Mr Goodson congratulating him on the decision.

The party that opted for peace in the workers' name Quiet thoughts of an IRA bomber

From Christopher Thomas
Belfast

Mr Gerry Dunlop stretched to his full 5ft 3in and peered through thick spectacles over the brick wall he was building. As he raised a cement-covered trowel in greeting, it was difficult to think of him as a ruthless IRA bomber.

On his twenty-first birthday he stood in the dock of the Central Criminal Court and was sentenced five times to 20 years' imprisonment for his part in the power bomber campaign in Britain, which he recalls was an amateurish, albeit devastating affair.

"We used acid on an inflated balloon to set the bombs off. It was impossible to time them accurately. When the acid burst through the balloon, up she went. You had a pretty good chance of blowing yourself to pieces", he said.

Four West End stores had their windows blown in by bombs planted by Mr Dunlop. Yesterday, standing in the drizzle during his lunch break on a Belfast building site, it all seemed impossible to him.

We were uneducated, unthinking youths. I suppose we might have had a vague notion that we were doing it for Ireland", he said.

Today, aged 21, he sits in his council house on the southern edge of Belfast and studies the works of Marx. He is a man of peace, the personification of a remarkable evolution of the Official IRA.

When the IRA split just over a decade ago Mr Dunlop gave his loyalty to the Officials and wholeheartedly welcomed the cease-fire declared in 1972. He watched the military wing fade away and, like a number of the old IRA men, found a political niche in Official Sinn Féin.

That party has changed in name and nature. In Northern Ireland it is called Republican Clubs, in the Republic, Sinn Féin, the Workers' Party. It bears hardly any resemblance to the original.

Mr Dunlop will be one of the party's 35 candidates for the Northern Ireland local elections in May, when it aims to improve its strength of six councillors. It tries hard to shake off the old associations with the original IRA, but memories are long in Ulster.

"Our policy", an official said in a grubby office in Springfield Road, west Belfast, "is to unite the hearts and minds of the working-class people of Ireland and effect that the border will be irrelevant."

"People see us as maintaining the old republican tradition, which the Provisionals have dragged into the gutter. Unity among Protestants, Catholics and dissenters is a basic principle of republicanism."

It aims to be a non-sectarian, working-class party, and supporters devolved government. The old passions about a united Ireland have given way to a passion for a united people.

Bomb defused: Army experts yesterday defused a 200lb bomb placed in a culvert under a road on the Northern Ireland border (the Press Association reports).



Mr Dunlop: Once a ruthless terrorist.

The bomb, in two milk churns, was found in a small explosion on the Roslea to Donagh road in Fermanagh.

Welsh TV questions parried by minister

By Tim Jones

Side-stepping what he described as a "major trap", Mr William Whitelaw, Home Secretary, yesterday refused to speculate on the consequences of the independent television companies' reluctance to finance Welsh language programmes on the fourth channel in Wales.

Mr Whitelaw, who was appearing before the Parliamentary Select Committee on Welsh Affairs, successfully parried for more than an hour direct questions on how the channel would be financed if the independent companies tried to evade their obligations by pleading poverty.

In evidence to the Committee the Independent Television Companies Association has stated that the £15m it would be expected to find to finance the minority channel would be "an unacceptable further burden on an industry which will be fighting off substantial losses in the near future."

But Mr Whitelaw refused to interpret that as a revolt by 14 of the 15 independent stations. Harlech Television, which, with the BBC, is responsible for the new channel in Wales,

has stated that it is morally and financially committed to the service.

The Home Secretary said the independent companies had been fully aware that support for the Welsh language station was a condition when they applied to the Independent Broadcasting Authority for the fourth channel franchise. He had no reason to believe they would not meet their obligations.

The Government has stated that there is no provision for it to provide financial support for the service in Wales. The Welsh channel was conceded after a campaign of civil disobedience.

In its evidence the Independent Television Companies Association pointed out that there were other minorities in the United Kingdom. "It would be highly damaging to the companies to be seen to be paying a subscription designed specifically to alleviate the problems in Wales."

"In political terms it could rebound on their operations in their own regions and it has to be said on their behalf that they would not willingly accede to such an arrangement."

Former wife held at gunpoint

From Our Correspondent
York

Armed police threw a cordon around a quiet residential suburb of Harrogate, North Yorkshire, yesterday as a woman was held at gunpoint by her former husband.

Mrs Philippa Reynolds, aged 25, had time only to make a 999 call before Mr Paul Reynolds, aged 27, burst into her first floor flat in South Park Road brandishing a loaded 21 rifle.

Police were soon at the scene at midnight on Tuesday. Neighbours said they heard gunfire and saw officers running for cover.

Mr Kenneth Enlayson said: "I heard the sound of breaking glass when I thought was a car backing. The police later told me two shots had been fired after a window was broken. Minutes later the road was filled with police."

Mr and Mrs Reynolds were arriving at Harrogate register office four years ago but had last year, when the husband went to live with his parents at Weeton, near Harrogate.

Mr David Burke, assistant Chief Constable of North Yorkshire, said Mr Reynolds was armed with a rifle and police officers were attempting to talk him out of the siege.

Protest over nuclear shelter talks

By Pearce Wright
Sunderland Editor

Demonstrators protested against the nuclear shelter industry outside the Royal Institute of British Architects in London yesterday, where a seminar was taking place to advise industrialists on how to survive a nuclear attack.

The seminar served to endorse the military ideas of "limited" and "winnable" nuclear war, they said.

Mr David Patterson, of London Peace Action, said: "People and industries cannot be protected from nuclear attack. The only real protection is to get rid of the weapons."

At the Nuclear Protection Advisory Group's seminar, Dr J. K. S. Clayton, director of the scientific advisory branch of the Home Office, said that up to three quarters of the population could be surviving a year after a big nuclear attack.

There is some confusion about what would constitute such an attack, because the Home Office forecasts about the targets which would be hit and the size of the nuclear devices are made independently of the Ministry of Defence.

However, Dr Clayton has said that estimates of the likely total amount of nuclear explosives is adequate.

In brief

Woman certified lead recovering

Mrs Jacqueline Rosser, aged 2, of Stroud, Gloucestershire, was found alive in a tortoise after being certified dead, yesterday regained consciousness in hospital at Gloucester.

Mr Barry White, an undertaker, said he noticed at the autopsy that Mrs Rosser's facial expression had changed, technician called the hospital resuscitation unit.

Girl who killed father released from jail

Charlene Maw, aged 18, one of the two Bradford sisters charged with killing their brutal father, was released from Aycliffe Prison, near York, yesterday after serving 10 months of a six-month sentence for manslaughter. The Home Office said she had received normal remission. Her sister, Annette, aged 21, is serving a three-year sentence.

Surgeon's court plea

Mr Paul Vickers, a surgeon, told Miss Pamela Collinson, a clinical researcher, who faces a criminal charge of murdering Mr Vickers's wife, are to seek a high court order today that he be released from hospital on bail until the trial.

Britannia charge

Eleven ratings from the royal yacht Britannia, charged under the Naval Discipline Act, 1977, for "disgraceful conduct of an indecent kind" can choose between court martial and hearing before a senior officer for disciplinary action.

Police officer killed

Police Constable Robert Long, aged 33, of Carmel Road, Arrows, North London, died yesterday when his minibus crashed into a wall. The bus was carrying 16 passengers. No other vehicle was involved.

Cannabis seized

A number of people will be charged today with drug offences after police and customs raids on homes in the Huddersfield and Rayleigh areas of Essex early yesterday. A large load of cannabis was seized, the force said.

16 chief's funeral

The funeral service for Sir Sir John Oldfield, former head of MI6, was held in the village church at Over Haddon, Derbyshire, yesterday.

Seal cull protest

A young couple from St Austell, Cornwall, protesting at a Canadian seal cull, were arrested outside Canada House, Trafalgar Square, London, yesterday.

1m arts awards

Northern Arts announced yesterday that it had awarded more than £1m in grants, including £202,500 to the Northern Sinfonia Orchestra.

Ill rescue team

Police from Hertfordshire and James Valley are forming a rescue team to protect walkers the Chiltern Hills.

Friction at nursery centres

A Staff Reporter: Friction between staff and parents among the difficulties encountered in a survey of combined nursery centres published yesterday by the National Children's Bureau.

The centres, which combine early education and day care, have not been wholly successful, the bureau says after a survey of four of the few centres

TUC insists on the need for information freedom Bill

By Our Labour Staff

The TUC is to increase pressure on the government to introduce a freedom of information Bill despite a polite rebuff from ministers on the subject so far.

Mr Len Murray, TUC general secretary, is expected to write to Mr Barrow Heyhoe, Minister of State at the Civil Service Department, rejecting the Government's reasons for refusing to legislate on freedom of information.

The TUC general Council is also expected to be asked to approve what amounts to a public campaign to persuade the government to introduce legislation.

Senior union leaders on the TUC's employment policy, and an organization committee yesterday considered a letter from

Mr Hayhoe repeating the government's position that despite examples of such legislation overseas the government did not believe that a similar Act "would be appropriate to our constitutional conventions and practices."

A short Congress House paper put to the committee, however, argues that none of the government's objections has real substance. It says the main obstacle to the introduction of a right of access to official information remains the government's unwillingness to move in the direction of more open government.

The TUC paper strongly rejects the Government's argument that the proposal for a judicial request for official documents would create difficulties for the courts.

Conspiracy denied by reporter

From Michael Horsnell
Middlesbrough

A former reporter for The Times denied allegations yesterday that he had taken part in a conspiracy to edit tape recordings of conversations between a former London detective and a criminal during an investigation by the newspaper in 1969 into police corruption.

Mr Gareth Lloyd now a BBC television reporter, was giving evidence at Teesside Crown Court, Middlesbrough, under cross-examination by former Det Sergeant John Symonds, of the Metropolitan Police.

Mr Symonds, aged 45, who denies three charges of corruptly accepting a total of £150 from the criminal in return for helping him over an arrest, accused Mr Lloyd of deliberately and blatantly lying during the hearing, and of concocting his notes at the time of the corruption investigation.

Mr Lloyd described the allegations as "beyond belief". He said: "I am a journalist, not a liar. I am not a liar, you are talking nonsense. You know perfectly well that did not happen."

Mr Symonds: "At some stage a conspiracy took place between you and certain other members of The Times whereby your original notes were disposed of and a notebook concocted, and the alleged evidence on the handling of the tapes was also concocted."

Mr Lloyd: "You know perfectly well that is not true."

Mr Symonds, who is alleged to have fled the country shortly before his trial at the Central Criminal Court in 1972 and returned only last May, is conducting his own defence.

Later Mr Julian Mounter, another reporter formerly with The Times, told the court that he had worked with Mr Lloyd on the corruption investigation.

Mr Mounter, who is now an executive producer at Thames Television, said that during The Times inquiry they had sought to verify allegations by Mr Michael Perry that on a number of occasions he gave money to Mr Symonds in exchange for corrupt assistance.

That involved searching Mr Perry after he had met Mr Symonds while carrying alleged payments on his person.

The hearing continues today.

Autistic children's claims for allowances held up

By Frances Gibb

Mr Hugh Rossi, Minister for Social Security, has issued an edict to Government officials which will hold up appeals from thousands of autistic children who might be entitled to a mobility allowance.

He has asked Department of Health and Social Security officials who represent the Government at medical appeal tribunals considering such cases to recommend an adjournment pending the outcome of three such cases already being investigated.

The Government is concerned about the implications of a recent test case involving an autistic boy, Paul Campbell, who won the right to a mobility allowance despite opposition from the Secretary of State for Social Services.

Mr R. S. Lazarus, a social security commissioner, rejected an appeal by the secretary of state against a medical appeal tribunal decision which awarded the boy the £12-a-week allowance on the ground that he was virtually unable to walk because of brain dysfunction.

The recent advice to officials was revealed in a parliamentary answer from Mr Rossi to Mr Alfred Morris, MP for Manchester, Wythenshawe, and former Minister for the Disabled, who said yesterday that Mr Rossi was calling into

Doctors in TV brain death protest

By a Staff Reporter

The conference of the royal medical colleges is to protest to the BBC that television news failed to carry the fact that Dr Ronald Paul, the consultant neurophysiologist who alleged that two patients who fulfilled the British criteria for brain death had survived, had withdrawn the statement.

The claim was made in the second of the BBC's two controversial programmes about brain death. Dr Paul on Tuesday acknowledged that he had been mistaken.

Professor Gordon Robson, secretary of the conference, said yesterday: "I will be getting in touch with the BBC to ask why they did not cover the issue."

The statement raised serious doubts in the minds of the public and some doctors about the reliability of the British criteria and was made on a programme that had an audience of four million people.

"If the BBC will not carry it on the television news, we feel there should be an announcement at the start of the next Question Time."

The BBC said yesterday that the withdrawal had been given on the radio. The television news editor had clearly felt that there were more important items; a spokesman said.

Barrister fined for assaulting woman on train

A barrister was found guilty at the Inner London Crown Court yesterday of assaulting a woman on an express train.

He was fined £100, with costs.

Barry Payton, aged 50, was said to have taken exception to the woman standing on the train which operated the compartment doors, and to have pushed her into the corridor, causing her to strain her neck.

Mr Payton, of Bramble Cottage, Green End Lane, Sawtry, Cambridgeshire, had pleaded not guilty to common assault on Mrs Margaret Smith, aged 39, of Huntingdon Road, Huntingdon, on a train between Huntingdon and King's Cross.

Mr Payton said that he thought Mrs Smith was going to hit him with her handbag, and put his hands up to prevent it. She then fell over.

Judge Hewitt said Mr Payton's conduct had been boorish. He imposed a 28-day prison sentence in the event of non-payment.

Det Sergeant Colin McKellar said Mr Payton had one previous conviction. In February, 1979, he was fined £100 for using threatening words and £10 for driving on the footpath, with £1,000 costs.

Simplified system to control councils' housing schemes will need one form

By John Young
Planning Reporter

New arrangements for the control of local authority housing schemes are to come into effect on April 1. It was announced yesterday. They will replace the former mandatory cost limits (housing cost yardstick) and minimum standards (Parker-Morris).

Mr Michael Heseltine, Secretary of State for the Environment, told the Commons that the new procedures would give councils freedom and responsibility to take their own decisions about housing schemes, make them more directly accountable to their electorate for those decisions, and cut out unnecessary bureaucracy.

For each building or renovation scheme a council would need only to complete a simple form and submit it to the Department of the Environment or the Welsh Office, with a copy available for local public scrutiny.

The Government would intervene only if the estimated cost was so high or so disproportionate to any likely benefit as to be unjustifiable, he promised.

Otherwise the council would be free to proceed with the scheme without further reference to the Government, unless costs or other aspects changed significantly.

Once the scheme was complete the council would be required to inform the Government and the public of the actual cost.

A circular sent to local authorities in England and Wales states that there will be minimum central government intervention in investment decisions. Case-by-case controls will be maintained only for municipalization and land acquisition proposals.

It observed that in Mr Heseltine's opinion land has in the past sometimes been acquired without sufficient thought either for the limitations on the council's capacity to develop it or for the needs of other potential users such as private builders.

The arrangements are intended to ensure that block borrowing approval is not used for land acquisition unless the Government is satisfied that existing council-owned land is unsuitable or inadequate for immediate needs, and that the council is in a position to develop it within a reasonable time.

Football club bans British TV from match

From Our Correspondent
Ipswich

Ipswich Town Football Club banned British television from covering their UEFA Cup quarter-final second leg match against St Etienne of France last night and sold the rights to French television.

Mr David Rose, the club secretary, announcing the ban, which affects the regional BBC and Anglia programmes, said the club was upset because independent television viewers can blame their own company.

"When ITV decided they did not want the match we accepted a good price from French television. With so much foreign interest there was no room for local television cameras, which normally provide a news coverage of the match."

It is believed that that cost the club thousands of pounds in lost advertising revenue.

Sutcliffe hearing not delayed by death of witness

By Arthur Osman

The death of a leading Home Office psychiatrist was unlikely to affect the hearing of 13 charges of murder and seven of attempted murder against Mr Peter Sutcliffe, it was said yesterday.

Mr Sutcliffe, of Heaton, Bradford, was committed for trial at Leeds Crown Court last month, and no date has been announced for the hearing.

Dr Daphne Sastani, senior medical officer at Armitage prison, Leeds, died in London last week. She had been expected to be a principal expert witness for the prosecution.

A representative of the Director of Public Prosecutions said: "There is no reason why the doctor's death should cause any delay to the hearing."

Mr Sutcliffe has been held at Armitage since his first court appearance at Dewsbury on January 5.

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Plea for 10 regional police forces

From John Chartres
Manchester

The creation of 10 regional police forces in England and Wales and a single force for the whole of Scotland was advocated by Mr. James Anderton, Chief Constable of Greater Manchester, last night.

Mr. Anderton, addressing a meeting of the West Pennine branch of the British Institute of Management, in Radcliffe, said that the present police structure and liaisons with government departments were too unwieldy and stolid. They belonged to a bygone age.

"People are slow to get to the heart of problems or to act on them, and some presumed to comment on vital issues they know very little about."

"There are far too many voices at the top and much

precious time is wasted in endless debate and unnecessary procrastination at national level. The Commissioner of the Metropolitan Police has to speak for nearly a quarter of the entire police strength in England and Wales, while the duty to speak for the remainder falls on no less than 42 other police chiefs."

It is a quite insupportable arrangement. With a simplified top management structure the number of conferences and such like could be severely and permanently reduced. Unfortunately, the police service is still caught by a torpid bureaucracy, and needs to act now to shake itself free.

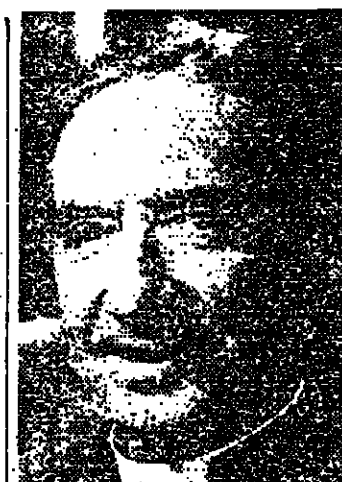
Mr. Anderton suggested the establishment of the following police forces (strength and population totals in brackets). Northern, covering Northumbria, Durham, and Cleveland

(6,200 officers, population 2,750,000); North West, covering Lancashire, Merseyside, Greater Manchester, and Cheshire (17,500; 7,000,000); Yorkshire, covering North Yorkshire, South Yorkshire, and West Yorkshire (11,300; 4,750,000); East Midlands, covering Derbyshire, Lincolnshire, Nottinghamshire, Leicestershire, and Northamptonshire (7,800; 3,750,000); West Midlands, covering West Midlands, Staffordshire, Warwickshire, and West Mercia (11,500; 5,250,000); Eastern, covering Norfolk, Suffolk, Cambridgeshire, Bedfordshire, Hertfordshire, and Essex (8,700; 4,500,000); South East, covering Kent, Surrey, Sussex, Hampshire, and Thames Valley (13,500; 7,000,000); South West, covering Gloucestershire, Wiltshire, Dorset, Avon and Somerset

and Devon and Cornwall (9,200; 4,250,000). Greater London (Metropolitan), covering the Metropolitan and City of London (27,700; 7,500,000); Welsh, covering North Wales, Dyfed-Powys South Wales, and Gwent (6,500; 2,750,000).

That arrangement, he said, with a unified force of 13,500 covering the whole of Scotland, and the existing Royal Ulster Constabulary, would make it possible to dispense with most of the time-consuming and often unproductive committees set up between the police service, the Home Office, and other local authority and government departments.

"Regional police commissioners could then concentrate on chasing the criminals, leaving consequently fewer civil servants to chase the paper. It would all be a boon to the public."



Dr. Stuart Blanch: Need for responsible teaching

Attack on 'crackpot ideology'

Schools, universities and education authorities should be about human relationships, and teaching should not be based on the latest crackpot ideology," the Archbishop of York, Dr. Stuart Blanch, said yesterday.

Preaching at York Minster at the centenary service of the Church of England Children's Society, Dr. Blanch also appealed for the mass media to be influenced "away from its preoccupation with casual sex and experimental morals".

Urging responsible teaching about human relationships, Dr. Blanch said it should be based on "some clear understanding of the spiritual forces at work in the world".

For the foreseeable future, the Archbishop went on, the consequences of broken marriages, economic retrenchment and inadequate moral and spiritual education would have to be lived with.

"Big rises in supplementary benefit claims, child care costs, hospital admissions, absenteeism from work, even industrial injuries can be blamed on divorce," he added.

Our Religious Affairs Correspondent writes: The poverty which the society was founded to alleviate had been replaced by "a more subtle and destructive evil, the poverty and deprivation of mind and spirit", the Bishop of London, Dr. Gerald Ellison, said at a similar service in St. Paul's Cathedral.

The statistics on broken homes were a reminder "that thousands of children are growing up deprived of the love and stability of a home, which is as much their right as is food, fresh air, and decent conditions of life".

Spanish MPs help journalists to foil government attempt to keep secret official coup account

From Richard Wigg
Madrid, March 18

They were only thanks to the collaboration between some MPs and journalists that the Spanish people today learnt the full facts about last month's failed military coup. The Government's version of the coup was given in a secret session of the Cortes (Parliament) yesterday by Señor Alberto Oliart, the Defence Minister.

It was the first full official account by the Government of the events of February 23.

One of the main reasons for the coup's failure, according to the Defence Minister, was that the military plotters advanced the plans they had to install an authoritarian regime to take advantage of the power vacuum caused by the resignation of Señor Adolfo Suárez, the Prime Minister, and the protracted delays in making Señor Leopoldo Calvo Sotelo his successor.

This sacrificed efficiency for speed, Señor Oliart told the MPs during the hour-long closed session.

In spite of the coup representing the most serious threat to democracy since the death of General Franco, the Government, he said, had decided to protect the armed forces' reputation from public judgement on those based on the assault on Parliament as the only way out.

Yet it was only recently that prominent Government figures repeatedly praised the media for keeping the public, including 350 MPs and Cabinet Ministers, held captive inside the Cortes, informed on the night of the coup.

The journalists defied warnings from both the Defence Ministry and the Prime Minister's Information Secretariat against publishing anything about the secret session after the authorities discovered that some MPs, who had declined to accept the ruling of the speaker, had concealed tape-recorders and were using the session in

Parliament. They later helped parliamentary reporters transcribe the minister's remarks in full.

Señor Oliart revealed how King Juan Carlos, whose efforts to uphold democracy that night he described as "decisive", had taken place against the backdrop of the military commander of the Valencia region, who had put his tanks on the streets: "I swear I will neither abdicate nor will I abandon Spain, and whoever rebels now will bear responsibility for provoking a new civil war."

The Defence Minister also emphasized how General Milans used the King's name to deceive other senior officers and make them join the putsch.

"No coup can invoke the approval of the King, it can only take place against the King," the monarch said in a televised message sent from the Zarzuela Palace to Valencia that night, reinforcing an earlier telephone call.

Señor Oliart also disclosed how during that night General Alfonso Armada, the former deputy chief of the Army's General Staff, now charged with military rebellion, sought to confuse General José Gabeiras, his superior, by giving him false information that four other military regions had joined the coup.

General Armada proposed himself to lead an authoritarian government as the only way out.

The Government's clumsy decision to try to prevent publication of the Government report has provoked a bitter row with the press, already annoyed at the way the authorities are seeking to curb follow-up reporting on the coup.

At first the Government invoked the need to respect the secrecy of the military judges' investigations, but Señor Oliart yesterday emphasized that his information was not from the two judges but from Army and Government investigations.

Under questioning, the Defence Minister told MPs that the results of further investigation would be presented to the Cortes defence committee which might well have better access to information in the first place under a parliamentary system of government.

But very few Spanish journalists would see it that way. At the conservative, monarchist newspaper, asked in an editorial yesterday: "Who really leaves this Government, rep will stay secret?" A total lack of transparency, issued statement before the closed session began condemning secrecy.

Today, Señor Landel Lavilla, the Cortes Speaker, sought to hold an investigation into the massive leak by Mr. Oliart, but the Speaker had only done their personal duty last night.

"Responsible journalists those who publish the news not those who suppress it," said in an editorial today.

"What mind could have been so authoritarian, or so ingenuous, as to have thought more than 300 representatives of popular sovereignty, owe loyalty to their vote as well as to party whips, we keep secret a matter of importance to society?" newspaper asked.

Two of Spain's national agencies, Europa and L, also ran the verbatim text that the Government's account of the coup will also reach the provincial publication of the coup.

Twenty-nine civilians being investigated for a possible role in the coup. 27 members of the security forces in addition to the 100 Guards were involved in the coup attempt, the Defence Minister said.

Investigations by the Defence Ministry are also proceeding the financial backing received by the plotters and the identity of the "Almond" group of officers and civilians who wrote anti-constitution articles regularly in *El Alcazar*, the far-right Madrid daily.

Task force for complaints checks is rejected

By Peter Evans
Home Affairs Correspondent

After opposition from police organizations, a Home Office working party has rejected a proposal by the Police Complaints Board for the use of a special task force to strengthen methods of investigating complaints against the police of causing serious injury.

The board had recommended in its first triennial report that such complaints should be investigated by a body of officers seconded from police forces but answerable to someone other than a police officer.

The working party, set up to consider ways of implementing the proposal, rejects the idea of a special task force. But it says in its report, published yesterday, that where necessary the chairman of the Police Complaints Board or the Director of Public Prosecutions

should supervise the investigation of complaints against the police of serious assaults.

They should be involved in the choice of the investigating officer. The new system should also cover other serious complaints and more use should be made of the practice of taking the investigating officer from another force.

Though the board was satisfied that in general the investigation of complaints under the present system was thorough and satisfactory, a "body of opinion" did not share its confidence. Unexplained injury sustained during arrest or while in police custody represented the focus of discontent.

The working party's report cites opposition from the Association of Chief Police Officers, the Superintendents' Association and the Police Federation. Those bodies provided seven of

the 12 working party members. The other members were Lord Plowden, chairman, Sir Thomas Hetherington, Director of Public Prosecutions, Sir James Wadell, Police Complaints Board, Mr. R. J. Andrew, Home Office, and Mr. R. H. Anning, an Inspector of Constabulary.

Mr. G. W. R. Terry, president of the Association of Chief Police Officers, said yesterday that the association did not think a change was necessary, but if it had to be made the working party's suggestions were feasible.

The working party's report would leave the onus for referring cases to the deputy chief constable of the force involved. He would be required to refer through the new system any complaint which alleged that police action had been responsible for a death or serious injury, provided he took the view that that death or injury could

have been caused in the way the complainant alleged.

In reply to a parliamentary question Mr. William Whitelaw, Home Secretary, said yesterday that in consultation with the Police Advisory Board he would be considering what changes, if any, might be necessary in the arrangement.

The National Council for Civil Liberties described the report as a damp squib. Miss Patricia Hewitt, general secretary, said the Home Office working party proposals would bring "almost no changes to the present police complaints machinery". They would do nothing to enhance public confidence or ensure that officers who broke the rules were properly dealt with. The establishment of an independent element in the investigation of complaints against the police. Report of a working party appointed by the Home Secretary (Cmd 8153, Stationery Office, £1.70).

Analysts to assess government record

By Peter Hennessy

A team of university analysts will be publishing next month an interim assessment of the policy successes and failures of Mrs. Margaret Thatcher's administration as it approaches its second anniversary in power.

Working under the auspices of the Royal Institute of Public Administration (RIPA), a Westminster-based "think tank" which brings together politicians, civil servants, academics and members of the public, the policy analysts are led by Professor Peter Jackson, director of the public sector economics research centre at Leicester University. Professor Jackson is undertaking a study of what he calls Mrs. Thatcher's "new economic order".

The idea for the enterprise, helped by a £10,000 grant from the Leverhulme Trust, came from Mr. William Plowden, director-general of the RIPA and a former member of the Central Policy Review Staff.

The project will examine public employment, local government, industry, energy, law and order, social security, housing, education, personal social services and transport.

It will measure the intentions announced by Mrs. Thatcher's Government on taking power, and the results of the final report will be published in 1984.

Mr. Plowden explained the exercise as asking the question, "What distinguishes the policies that worked out from those that were catastrophes?"

He was at pains to dispel any notion of anti-government sentiments. "This is a liberal report to the Government. But the Thatcher administration has some particular things that it wants to do in a particular style. Given the nature of the consensus over social and economic policy over the last 25 years, it clearly will have a great deal of difficulty with some of the things it wants to do."

The interim report from Professor Jackson's group will be published to coincide with a RIPA conference on public influence and public policy at Sussex University on April 10 and 11.

Missing patient needs advice

Mr. Clive Grimstone, the kidney patient on dialysis treatment who went missing for 12 days, agreed yesterday to obey doctors' orders, despite his earlier claim that prayer had cured him.

Mr. Grimstone, aged 30, of Norbury, south London, a member of the Worldwide Church of God, admitted that he might have been wrong.

£3m renovation brings theatre back to life

From R. W. Shakespeare
Manchester

The reopening of Manchester's Palace Theatre last night after a renovation costing £3m is one of the most important events in the theatre since the war.

It brings one of the North's famous theatres back into use as a principal touring venue for companies such as the Royal Opera, the National Theatre, the London Festival Ballet and the Glyndebourne Touring Opera.

About two years ago it faced permanent closure or possible conversion to a bingo club. The

man behind the programme that led to last night's opening with a new production of the musical, *Jesse*, *Chorus* Supervisor, is Mr. Raymond Slater, chairman of Norwest Holst, the civil engineering and construction company.

Of the £3m that has been spent, about £1m still has to be raised by a public appeal. The shortfall is being financed by an interest-free loan from a consortium of local businesses.

The theatre's facilities are some of the best in Britain. It has a 42ft wide proscenium arch, a stage depth of 56ft, and a 12ft "walkaround". Seventy

pieces of scenery, each up to 34ft high by 60ft wide, can be flown at any time.

The orchestra pit seats 110 musicians and a six-storey building behind the stage provides dressing rooms and wardrobe facilities for up to 150 performers.

About £50,000 has been spent on restoring and decorating the 90-year-old theatre's ornate plasterwork.

The opening show will be followed in May by the Royal Opera Company's first full season out of London for 17 years. It will take 350 performers and musicians to Manchester.



Photograph by Keith Waldegrave

Mr. David Steel, the Liberal leader (third from left) and fellow Liberals receiving petitions yesterday which have been collected during the party's "week of action" in protest against the Government's record on unemployment and public expenditure cuts.

'Knockout' trial jury told of car workers' injuries

Three car assembly workers were injured on the day that an Arun Princess car lent to Mr. Colin Wallace was made, a jury was told yesterday.

Mr. Wallace, aged 37, information officer with Arun District Council, East Sussex, has denied the manslaughter of Mr. Jonathan Lewis, aged 29, an antique dealer.

Bloodstains were found in the back of the car, the jury was told, and Mr. Jan Bradbrook, a forensic scientist called by a defence solicitor, said some of them were of the same group as that of two of the injured BL car workers at Cowley, Oxford.

The prosecution alleges that Mr. Wallace killed Mr. Lewis

after a dispute about his relationship with Mr. Lewis's wife. It says that Mr. Wallace, of Dalloway Road, Arundel, fell in love with Mrs. Jane Lewis, aged 29, his assistant, when they worked together organizing an Arun Knockout television programme, which was filmed in Arundel last July.

Mr. Phillip Owens, secretary of Arun Council, said yesterday that he had stood as a witness without hesitation for Mr. Wallace, whom he had known as a colleague and socially since he had worked for the council. "In all his dealings with me he has been quite above board," he said.

The case continues today.

Arms trade is the big sin, Methodist president says

By Clifford Longley
Religious Affairs Correspondent

The arms trade was described as "the most sinister vested interest the world has ever seen," by Dr. Kenneth Greet, the President of the Methodist Conference, in his address to the Free Church Federal Council, which met in Bournemouth yesterday.

"I am talking today about the big sin," he said. "It would be entirely in order for this congress to talk about comparative small sins, like adultery and pornography, and bullfighting. I am inviting you to express your deep concern about the big sin, and to commit the churches to resolute action."

Half a day's global expenditure on arms would be sufficient to pay for the whole malaria eradication programme of the World Health Authority, he went on. Many world political leaders, he said, were leading the blind.

The council endorsed the policy on disarmament of the British Council of Churches, including support for the World Disarmament Campaign. It said that the doctrine of deterrence based on the prospect of mutual assured destruction was "increasingly offensive to the Christian conscience".

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Talks next week on medical school cuts

By Nicholas Timmins

Sweeping changes for London's undergraduate medical schools, with warnings that the smaller postgraduate medical institutions will be bankrupt within two years and the existence of the larger ones threatened, are to be put to the London University senate next week.

The proposals are in a draft report from the university's joint planning committee. If implemented they would mean the closure of the pre-clinical school at the London Hospital, its students transferring to a joint pre-clinical school with St. Bartholomew's at Charterhouse Square and their combined intake cut by 50 to 200. That would also mean in effect the abandonment of a plan to build a new joint school involving St. Bartholomew's, the London Hospital and Queen Mary College.

St. Mary's Hospital pre-clinical school would largely close, as would the clinical school at the Middlesex Hospital. St. Mary's, the Middlesex and University College Hospital would form a joint school.

Westminster Hospital medical school would merge with Charing Cross Hospital, but the new joint school would be at the Charing Cross's Fulham site, even if Westminster's acute beds are used for teaching.

King's College would still train pre-clinical students but would no longer supply them to the Westminster, thus removing its independence.

All 12 undergraduate schools would be formed into four consortia covering north, south, east and west London, with each consortium working to form a single administration and integrated academic staff for the schools under it.

In addition, the report,

drafted by Lord Annan, the university's vice-chancellor, says that reductions in staff-student ratios will also be necessary in the surviving units.

"Research is bound to be crippled in all departments, especially pre-clinical, and students will get less individual attention. However, faced with the necessity of cutting £5m or 10 per cent from the cost of medical education in London, the steps are inevitable, the report says, and redundancies will have to occur."

The report adds that the decision to allow St. George's medical school to expand to its planned intake in 1985 could mean the closure of the equivalent of another whole school.

The schools most directly affected, St. Mary's, Westminster and the London, have all protested, with St. Mary's arguing

that the Middlesex should shut both its pre-clinical and clinical schools.

On postgraduate medical education, the report is more pessimistic. Lord Annan is to meet Mr. Mark Carlisle, Secretary of State for Education and Science, and Dr. Gerard Vaughan, Minister of Health, to tell them that the postgraduate schools will soon be unrecognisable unless substantial aid is given.

The Royal Postgraduate Medical School at Hammersmith Hospital has lost £681,000, or 24 per cent of its income this year because of the new policy on overseas students' fees.

The London School of Hygiene and Tropical Medicine has lost £741,000, also 24 per cent of its income, and the other 13 postgraduate medical institutions have lost more than £2.1m, or 17 per cent.

New road scheme gives link to North Wales

An 518m road scheme, giving northern England and the Midlands a motorway link with North Wales, was officially opened yesterday.

The main part is the final 61-mile section of the M56, which is now 35 miles long and carries traffic from south of Manchester to north-west of Chester. It ends at Lea-by-Backford, in Cheshire, where a new roundabout connects the motorway to a dual carriageway into North Wales.

The other part of the scheme is a one-mile southern extension of the M53, which now joins the M56 at St. Oak Interchange, in Cheshire, connecting Wirral with the motorway network.

More Home News, page 10

Portugal expels Cuban for 'insult'

Lisbon, March 18—Portugal today ordered the Cuban Ambassador out of the country in a diplomatic row over the treatment of the Portuguese Chargé d'Affaires in Havana.

Señor Andre Gonçalves Pereira, the Foreign Minister, summoned Señor Manuel Estevez Perez, the Cuban Ambassador, and told him the Government had declared him *persona non grata* and given him 48 hours to leave Portugal.

The move followed Cuba's public accusation that Señor Francisco de Sales Mascareñas, Portugal's Chargé d'Affaires, had helped to plan last month's seizure of the Ecuadorian Embassy.

Señor Mascareñas returned to Lisbon this morning after being recalled in what the Foreign Ministry insisted was a measure to ensure his personal safety and not an admission of guilt.

The Portuguese Foreign Minister said in television interview that the incident was bound to damage relations between the two countries and that his Government would review a recent decision to name a new ambassador.

Señor Gonçalves Pereira said Portugal had been publicly insulted by the Cuban Government and would take all necessary action to safeguard its dignity and prestige in the eyes of the international community.

—Reuter.

Fewer Jews migrating to Israel and more leave

From Christopher Walker
Jerusalem, March 18

Official figures published this week show that the number of Jews migrating to Israel in the first two months of this year was only 1,829 compared with 4,520 over the identical period of 1980—a drop of about 60 per cent.

The figures, published by the Jewish Agency, have highlighted one of the most serious problems facing the state of Israel: the failure to attract a sufficient number of Jews from overseas, and the increasing inability to keep those immigrants who do arrive.

The slump in immigration came at a time when the exodus of Jews is at its highest since the foundation of the state. Although accurate figures are hard to obtain, it is known that last year more than 33,000 more people left the country than entered it, an increase of 50 per cent on the 1979 total.

The trend comes as a particular blow to a young country largely built up by the influx of Jews from abroad. Recently Mr. Shmuel Lahis, the director-general of Jewish Agency, resigned after publishing a controversial report on emigration which suggested the setting-up of a new ministry to handle the problem.

According to political observers, many of the same causes are encouraging the

population drain as are preventing foreign Jews from coming to settle. The most frequent cited are inflation over 130 per cent, excess bureaucracy, lack of housing, high taxes, and general disillusionment with the performance of successive governments.

The main reason for the drop in immigration, which in 1979 was at its lowest for years, is the reduction in the number of Jews arriving from Russia. But the figures also show that last month there was a drop in arrivals from a number of Western countries including Britain, France and the United States.

The latest statistics show the number of Soviet Jews who left Russia last month was 1,408, compared with 3,023 in February 1980, but of that total a record 84 per cent went to other destinations than Israel after arriving in Vienna.

The percentage of Soviet Jews "dropping out" compared with an average of 65 per cent last year and 66 per cent in 1979.

Vatican talks: Mr. Faru Kadumi, diplomatic chief of the Palestine Liberation Organisation, met Cardinal Agostino Casaroli, the Vatican Secretary of State, today to discuss the status of Jerusalem and the Palestinian question (UPI reports from Rome).

The prostitute's tale too strong for Italy

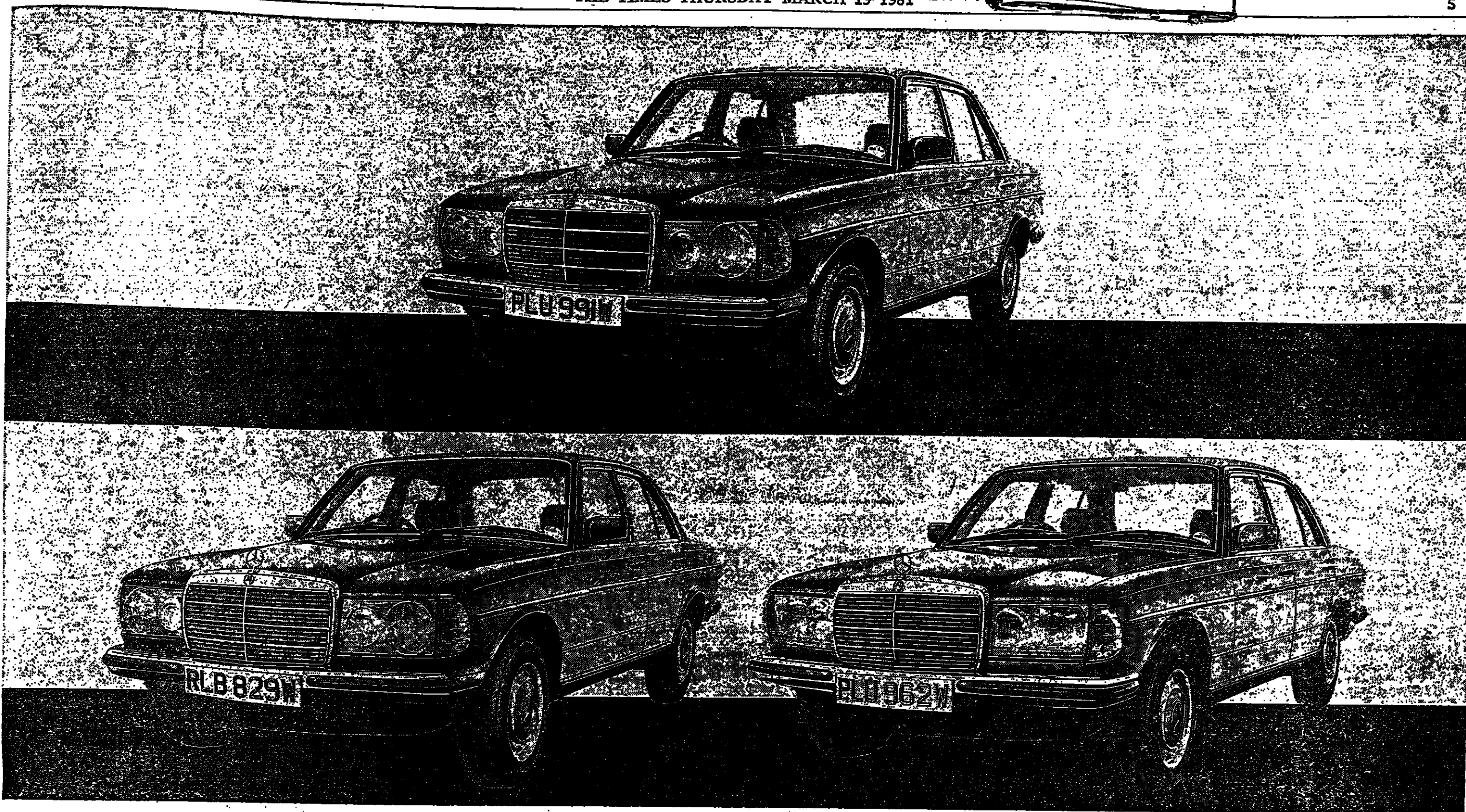
From Peter Nichols
Rome, March 18

For the second time, the Italian state television service has put off the showing of a controversial film about a prostitute to come to Rome and be filmed while going about her business with her clients.

The broadcast was first postponed after Signor Mauro Bubbico, the governing Christian Democratic Party's expert on television, expressed his opposition. This resulted in a series of attacks on Signor Bubbico.

It was then agreed that the screening would nevertheless take place tomorrow evening. The film was devised by six women who convinced a prostitute to come to Rome and be filmed while going about her business with her clients who were not to be aware of hidden television cameras. The object was to show the behaviour of a prostitute, called simply Veronique, was that the film

would not be shown in France. There was still strong opposition from some sections of opinion to have the show broadcast again when unexpected help came from the Vatican in the form of a series of judicial intimations addressed to the six women authors and leading executives of the state television that proceedings might be taken against them. The state television's board then announced that the showing would once again be suspended.



A NEW 2 LITRE MERCEDES-BENZ AND TWO OF ITS ONLY COMPETITORS.

Though 120 cars of other marques are more expensive than the new Mercedes-Benz 200 (pictured top) its only true competitor is another Mercedes-Benz.

It would be a worthwhile exercise, therefore, to evaluate the new 200 against the Mercedes-Benz 230E and 280E (pictured left and right).

Amongst other things, you will discover that there is no room for a 'base' car in the Mercedes-Benz philosophy.

The new Mercedes-Benz 200 is 16% more powerful, 13% less thirsty*, quieter, smoother and able to run 12,000 miles between services. Why?

It has a totally new 109 DIN/h.p. overhead camshaft engine with light alloy cross-flow head, hemispherical combustion chambers, heat-dissipating sodium-filled valves, lightweight pistons and breakerless transistorised ignition. Plus a new 27.6% lighter and more efficient four-speed gearbox.

These engineering advances, and others, provide sparkling acceleration to 105mph. They decrease fuel bills and distance fuel stops further apart. They reduce stress and heighten pleasure by making an already exceptionally civilised car more civilised still.

The Mercedes-Benz 230E (introduced last Autumn) offers 113mph or, in another mood, 35.3 mpg*. How?

The answer, again, is a new high-technology four-cylinder engine and four-speed gearbox, with the further advantages of fuel-injection and an extra 300 cubic centimetres of engine capacity.

The outcome is, to anyone not currently

driving behind the three-pointed star, a startling combination of quietness, quickness, flexibility and economy. In fact, the ultimate proof that these advanced 2.3 litres are more than a match for many larger, conventional engines.

The Mercedes-Benz 280E reaches 125 mph. But where?

Anywhere in the world such a pace is legal. Moreover, the 185 DIN/h.p., 2.8 litre twin overhead camshaft fuel-injected, six cylinder engine is so deliberately understressed that the 280E can virtually cruise at that speed for hours on end. But when the bends tighten-up and the speed drops, the other side of the 280E's nature is revealed.

A skillfully engineered partnership between performance, brakes, steering and suspension, provides handling characteristics in this five-passenger saloon that would do justice to a sports car.

More relevantly, in this country and this economic climate, the 280E can cover 29.7 miles for every gallon of petrol consumed at a constant 56 mph*.

Mercedes-Benz safety engineering pre-empted legislation and far outstrips it.

There are more than 120 safety features built into your new Mercedes-Benz—more than twice as many as are required by even the most stringent safety standards being enforced in any country.

The central element of the 6,000-weld body is a rigid steel safety cell (an idea pioneered by Mercedes-Benz in 1951) isolated fore and aft by progressively energy-absorbing crumple zones.

Burst-proof locks could each support the weight of the entire car.

The steering system has been designed to absorb impact and reduce the risk of injury.

Long range headlamps, high intensity indicators, 85% all-round vision, four-wheel disc brakes and the dynamic agility of the car itself minimise the risk of this massively effective passive safety system ever being put into action.

Statistics for your investment broker.

Whilst no new car is actually a financial investment, a select few offer exceptional value for money. Here's what the experts say:

"Company Car" magazine estimates that, after 4 years, Mercedes-Benz have the highest trade-in value of all comparative cars, defying the rule that large cars depreciate fastest.

"TUV" (the German MoT equivalent) reveals that Mercedes-Benz have had the lowest failure rate of all large cars tested at two and six years old.

According to an analysis of the definitive U.K. used car price guides of January 1981, Mercedes-Benz cars depreciate just 25% after one year. Less than any other marque in comparative price categories.

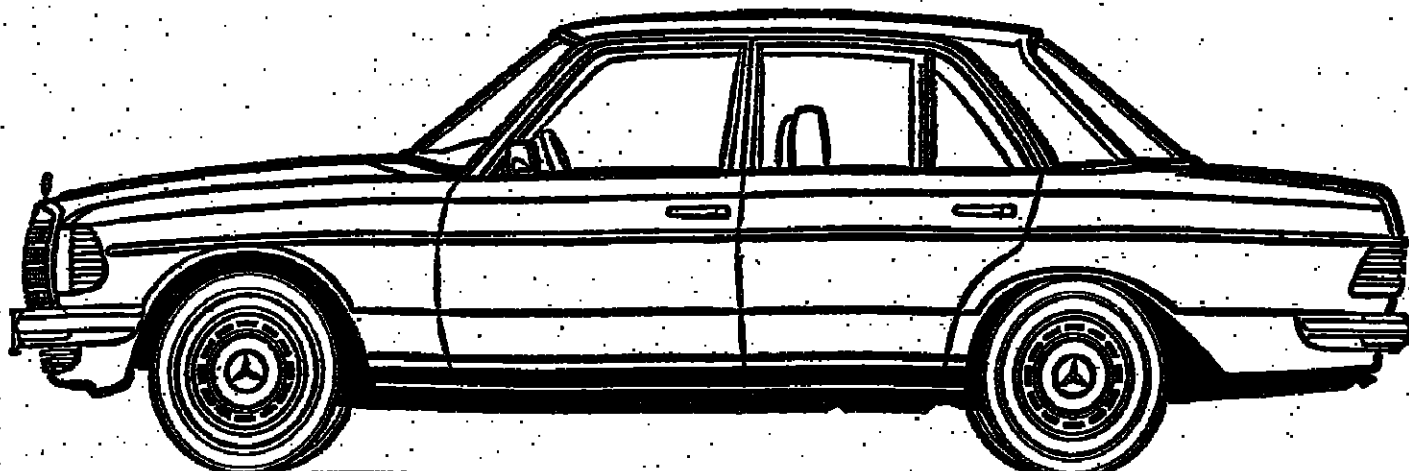
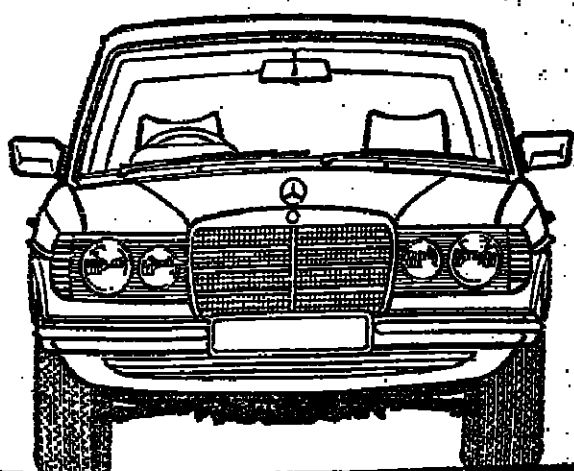
Perhaps your first Mercedes-Benz—certainly not your last.

Some time in the future, of course, you will trade-in your beautiful 1981 Mercedes-Benz 200, 230E or 280E.

After servicing and restoration to rigorously set standards in your Mercedes-Benz dealer's workshops, it will move on to other hands.

And you? If you are like 80% of Mercedes-Benz owners, statistics show that you will move on to another Mercedes-Benz.

ENGINEERED LIKE NO OTHER CAR IN THE WORLD.



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*Official fuel consumption figures for the 200, urban cycle 22.6 mpg (12.5 litres/100 km) manual and 23.6 mpg (12.0 litres/100 km) automatic. At a constant 56 mph, 36.2 mpg (7.8 litres/100 km) manual and 33.6 mpg (8.4 litres/100 km) automatic. And at a constant 75 mph, 28.6 mpg (9.9 litres/100 km) manual and 26.4 mpg (10.7 litres/100 km) automatic. 230E, urban cycle 20.4 mpg (13.8 litres/100 km) manual and 20.9 mpg (13.5 litres/100 km) automatic. At a constant 56 mph, 33.8 mpg (8.4 litres/100 km) manual and 32.1 mpg (8.8 litres/100 km) automatic. At a constant 75 mph, 26.6 mpg (10.6 litres/100 km) manual and 25.2 mpg (11.2 litres/100 km) automatic. 280E, urban cycle 16.5 mpg (17.1 litres/100 km) manual and 16.5 mpg (17.1 litres/100 km) automatic. At a constant 56 mph, 27.4 mpg (8.0 litres/100 km) manual and 27.4 mpg (8.0 litres/100 km) automatic. At a constant 75 mph, 21.7 mpg (13.0 litres/100 km) manual and 21.7 mpg (13.0 litres/100 km) automatic.

Elysée affirms that the proceeds of Bokassa diamonds were sent to Central Africa for Red Cross

From Ian Murray
Paris, March 18

Just before midnight the Elysée Palace announced that a bank transfer had been made on the orders of President Giscard d'Estaing in favour of the Central African Red Cross on February 4 this year and that the Central African authorities had acknowledged receipt of it by letter on February 13.

The Elysée statement was issued nearly eight hours after it became known that the satirical weekly paper, *Le Canard Enchaîné*, was publishing the facsimile of a Telex message it had received from Mme Ruth Rolland, the president of the Central African Red Cross. It said that the "regretted" Elysée had to say that she had never received any gift from the President of the French Republic for her organization whose financial situation was catastrophic.

The Central African Red Cross said it could not even meet its running expenses.

The Elysée statement was accordingly issued as a categorical denial of the story in the paper. It added that the documents proving the transfer were held in the accounts of the Presidency.

Mme Rolland had been approached by the paper after President Giscard d'Estaing announced on television what had been done with the gifts of diamonds which he had received from the former Central African Emperor Bokassa. She said that when Mr David Dako came to power in the Central African Republic—which was in September 1979—the President had indicated to him that the diamonds were to be sold and the money turned over to Central African charities.

"That has been done," the President said. "The proceeds have for the most part been turned over to the Central African Red Cross and the surplus has gone to three charities which I have had occasion to know: a maternity home, a day nursery and a mission."

Generally the allegations in *Le Canard Enchaîné* are ignored by the President, who has preferred to remain aloof and to adhere to his promise never to prosecute a publication for libel. In the course of a television interview in November 1979, shortly after the first stories about the diamonds appeared in *Le Canard Enchaîné*, he commented: "One must allow these things to die in their own poison."

The Telex from Mme Rolland, however, coming as the election campaign is building up, must have appeared potentially so damaging to the Elysée as to prompt the midnight denial.

Using the dates given in the official denial, the Bangui correspondent of *Le Monde* sought an interview with President Dako, who confirmed that the cheque from President Giscard d'Estaing for 2m Central African francs (about £4,000) to be handed over to the Red Cross.

According to President Dako, the money has not yet been handed over because the executive bureau of the Red Cross has been disbanded by his Ministry of Social Affairs. The cheque will be handed over when a new bureau is elected.

Mme Rolland was elected president of the Central African Red Cross on November 9 last year. Before then it was run by a committee headed by a police officer under the Bokassa regime. Miss Brigitte

Dacko, a niece of the President, is honorary president of the Central African Red Cross, although the International Committee of the Red Cross in Geneva has no record of her having made any donation.

According to *Le Canard Enchaîné*, it had originally been unable to reach the Central African Red Cross by telephone because its line had been cut off as it could not pay its bill. Mme Rolland had eventually telephoned them in response to a telegram and had confirmed that the organization was without any funds to help anyone, that it had received no state aid for three years and owed the International Committee at least 4m Central African francs.

The correspondent of *Le Monde* also made contact with Mme Rolland who told him that all she knew was that the Central African Red Cross had never received "the last cheque" from President Giscard d'Estaing. She said that the only day-nursery in Bangui, which was run by the Ministry of Health, had also never received any gift from the Elysée. It was so poor that the staff often had to buy food for the children out of their own salaries.

Le Monde also spoke to the Archbishop of Bangui, Mgr Joachim Ndayen, who said that he had never received anything from the French President, "not even the most modest envelope". Mgr Ndayen said, however, that when M. Giscard d'Estaing visited Central Africa in the days of Emperor Bokassa to go hunting he had made the acquaintance of a Dutch priest who had on at least one occasion visited the Elysée and who might have been given some money for his mission.

elections. Had he or had he not checked the growth of money supply, kept the budget deficit within the lowest limits of any industrialized country, he asked. Furthermore, had he tried to increase the productivity of the economy and maintained the stability of the franc?

"I did what I thought I should do, and I would be glad to see those who give me good advice do too. I have only one regret: there is hardly a chance that they will come and sit in my place at Matignon (the Prime Minister's seat)."

He seemed to relish the question put to him about the Government's bad record on unemployment, which President Giscard d'Estaing himself last week admitted was the failure of his first term. There was no such admission on the part of M. Barre, and he proceeded to inveigh against both the "exhibitionism of the heart" displayed by some candidates on this subject, and to call for a little more restraint in dealing with so painful a problem.

All the solutions proposed by M. Chirac and M. Mitterrand were "illusory", and would lead straight into a brick wall. He listed in this context reflation through consumption, redistribution of unemployment benefits to create jobs, and the reduction of working hours, though he admitted that the last point could be contemplated on a sector by sector basis.

M. Barre dealt briefly with foreign affairs in the first part of his interview. He was "revolted" by M. Mitterrand's comments on the President's meeting in Warsaw with President Brezhnev.

To those who speak of the wages of Warsaw (the Socialist leader's phrase about the *Pravda* article), I say this: There is never any reward for indignity."

M. Giscard d'Estaing had asked his advice about going to Warsaw, and he had urged him to go. He had told Mr Brezhnev that détente had received a very hard knock and to prevent the renewal of the dialogue between the superpowers with the exclusion of France.

He was pessimistic about the future of the European Community, and said that "sooner or later a solution will have to be found to the problem of Britain's membership of it."



A Nigerian soldier of UNIFIL passes an outpost at Kantara in southern Lebanon that took a direct hit in shelling by Major Saad Haddad's pro-Israeli militiamen.

Israel claims Unifil ultimatum

From Moshe Brilliant
Tel Aviv, March 18

The Israeli defence forces issued a communique today stating that Major-General William Callaghan, the new commander of the United Nations forces in southern Lebanon, had demanded that the Israeli army clear out of the area, and that Major-General Avigdor Ben-Gurion, in charge of the Israeli Northern Command, had refused out of hand.

This was denied by the spokesman for the United Nations Interim Force in Lebanon, who said that the general's meeting in Nazareth had been a courtesy visit and the issue of withdrawal had not come up at all.

There are reports that the UNIFIL forces are on a combat footing after two soldiers of the Nigerian contingent were killed on Monday by the artillery of Major Saad Haddad's pro-Israeli Lebanese militia.

An Israeli Army communique said that the meeting was held in a tense atmosphere and the UNIFIL general had been "demanded to leave the area". But the UNIFIL spokesman

said the atmosphere had been "anything but tense". Israeli radio reported that General Callaghan told General Ben-Gurion that his UNIFIL predecessor, Major-General Emmanuel Erskine of Ghana, had failed to enforce his Security Council mandate to police southern Lebanon to the Israeli border, but he was determined to do so at the risk of bloodshed. This was denied by UNIFIL's spokesman.

The UNIFIL troops have been restricted in their deployment and movements in the belt across the Israeli border by the mainly Christian militia of Major Haddad, who claims to rule the area in the name of "Free Lebanon" but who has been denounced as a renegade by the Beirut Government.

The Israeli communique said the United Nations commander demanded complete freedom of action for his forces in the field. He also demanded withdrawal of the militia from four strategic positions in the UNIFIL area of operation, which the militia claimed were routes taken by Palestinian Liberation Organization terrorists on their way to Christian territory.

General Ben-Gurion was said to have warned the UNIFIL commander that over-hasty attempts to create new facts in the field had triggered off Monday's outbreak, which resulted in the killing of the Nigerians.

According to the transfer of a 30-strong platoon of the Lebanese Army close to Major Haddad's territory, which the militia saw as an attempt to extend Syrian influence into his area, Mr. Mordechai Zippori, Deputy Minister of State, commented today: "No one can present Israel with ultimatums. Israel will not abandon Haddad."

He claimed that the United Nations had failed as a peace-keeping force in Lebanon. It had received territory cleared of terrorists by Israel, he said, but there were now hundreds of terrorists there.

US block: The United States blocked the Security Council from issuing a formal condemnation last night of the killing of the Nigerians (Reuters reports from New York). The council's members met for a long time but were unable to produce a statement of condemnation because the Americans were unwilling to accept even a hint that Israel backed the attackers, diplomats said.

The Nigerian delegation was contemplating a request for a full debate on the incident, the diplomats added.

Council members unanimously condemned the Kantara incident during their meeting on Monday.

Discussions on the wording of a statement failed to produce an agreement last night, and a Soviet attempt to label Israel as a responsible party was dropped.

Haig promise of full US power in Gulf

Washington, March 18.—The United States would use the "full range" of its power, if necessary, to defend its vital interests in the Gulf, Mr Alexander Haig, the Secretary of State, told a Congressional hearing today.

In a wide-ranging testimony, Mr Haig said El Salvador was only one of a "hit list" of Soviet priority targets in Central America.

Defending the Administration's request for \$6,900m (about £3,136m) in security assistance funds, more than two-thirds of which is earmarked for the Middle East, he had to cover almost every aspect of American foreign policy.

He was asked if the Administration adhered to what has been called the Carter doctrine, in which the Gulf was defined by the previous Administration as a "vital American interest".

Mr Haig said wryly that he might argue with the name. But he also said: "The Persian Gulf remains a vital American concern. Any change in the status quo would have to be dealt with by the full range of power-assets available to us."

"Power-assets" is military jargon for anything that would project American strength, from economic or diplomatic pressures to strategic nuclear weapons.

The only time Mr Haig raised his voice in a shout during the hearing was when he defended the Administration's decision to enhance the F15 fighters sold to Saudi Arabia. He said it should be viewed as part of the attempts to respond to Soviet threats to vital oil supplies rather than as a part of the Arab-Israeli dispute.

"The Saudis are going to get it (the weapons) anyway", he shouted at a committee member.

"Do we want them to get from some other source? I think it's a reliable partner. He went on to describe the situation around Poland "very tense" although spokesman, 24 hours ear said the atmosphere had a somewhat during the past days.

Mr Haig told the foreign affairs committee of the House of Representatives that if United States does not move the spread of what regards as Soviet-sponsored terrorism "we will find it our own borders tomorrow."

He denied, however, that Administration has an anti-Soviet preoccupation with Soviet Union or, in the words of one congressman, that it is "beating our chests into swords."

He said that a Soviet advance in the Horn of Africa, South Asia, in the Persian Gulf and in South-West Asia appears to conform to a "strike at countries on or to the west of the lines of West"—UPI and AP.

Pressure from Britain: He will press Mr Haig to be quick on his policy, Namibia, when he visits on April 9 for two days. Our Diplomatic Staff

Confirming the visit, the day in the Foreign Office that Mr Haig would be in London after his Middle East tour, to continue the which Mrs Thatcher is during her recent stay in Washington.

Britain is concerned unless the Americans fix their Namibia policy reason and take a stand, position in the region will become entrenched as to be unmovable.

President gets smiles but little satisfaction

By Our Diplomatic Staff

Eager for every nuance of favour from President Shagari of Nigeria, now visiting Britain, British leaders are delighted that the Nigerian President kept them late over luncheon talks yesterday, when they gave him little satisfaction on some of the things he most wanted to discuss.

Mrs Margaret Thatcher, the Prime Minister, had private talks with Mr Shagari lasting 45 minutes, mainly about Southern African politics. But there is no prospect of Britain agreeing to the economic and tougher sports sanctions against South Africa which the Nigerians want.

The British are also candidly that the West initiative for a Namibian settlement is impotent without backing of the new American Administration which is undecided about its Nam policy.

The Foreign Office is still cutting criticism of a speech Tuesday night of British failure to win stronger measures against South Africa apartheid and Namibia chiefly designed for home consumption.

"More condemnation" not enough, he said, Britain to put its trade policies on the line.

French Presidential Election

Giscard trip belaboured by M Chirac

From Our Own Correspondent
Paris, March 18

M. Jacques Chirac, the official Gaullist candidate in the presidential election, said today that President Giscard d'Estaing should not have gone to Warsaw to meet President Brezhnev last year. This was the advice he said he would have given had he been Prime Minister at the time.

Talking to the Diplomatic Press Association in Paris M. Chirac was asked what he felt about the praise from *Pravda* for President Giscard. "When a head of state receives praise from a foreign country, which by definition is not disinterested, it is worrying", he replied.

France, he said, had the means to have a great foreign policy, but first of all it had to get rid of a diplomatic conception which was too marked by ideas of conciliation, which at their limit could lead to neutralism.

French foreign policy, he said, had been reduced to a quest for all-round good neighbourliness. He believed it was necessary to have preferences and to proclaim them. "It is necessary to choose. You cannot say something is unacceptable and then accept it, that something is sanctionable and then not sanction it."

He described NATO as an organization which was manifestly out of date which was not technically equipped to serve Europe. There was no question of France reintegrating itself in it.

As far as Europe was concerned, the Gaullist leader was highly critical of the lack of conviction of the "down-trodden and regressive" European Community. In a pointed reference to Britain, he regretted that the essential principles of agriculture, unity of prices, Community preference and financial solidarity were being breached.

M Barre defends his record with verve

From Charles Hargrove
Paris, March 18

It takes some doing for a prime minister who has sunk to unprecedented depths in opinion polls, to defend his record with so much conviction and to insist that there was no alternative policy to the one which he pursued for four-and-a-half years. But that is what M. Raymond Barre achieved brilliantly last night in his first—and probably his last—television appearance of the presidential election campaign.

He spoke, he emphasized, as the Prime Minister, and not as a party to the presidential election campaign, a distinction which already yesterday drew some protest from Gaullists and opposition alike.

For one-and-a-half hours last night, he was holding his ground with all the massive arguments of facts and figures, and all the well-tried techniques of the seasoned politician.

In watching his performance one could not but come to the conclusion that he was more interested in the memory of a man uncompromising on essentials which he would leave with his fellow countrymen when he abandoned the post of Prime Minister next May than with the vicissitudes of an electoral battle of which he is not a party. Whether this serves the cause of M. Giscard d'Estaing is another matter.

But the barrowfuls of scorn, irony and indignation which he poured on the president's opponents—be it M. Jacques Chirac or M. François Mitterrand—and on all those who would have it believed that the Government was made up of "incompetents who have no heart", undoubtedly found their mark. However, it is doubtful whether he did convince his listeners that there was no other way of going about the country's problems.

As one commentator rightly puts it today, the Prime Minister was right in his election. His successor pursued the same policy and his successor managed to curb unemployment while preserving growth, or he would adopt a policy which would prove disastrous for the country. In the event of success, he could be able to claim the credit; in case of failure, he could blame M. Barre.

He was saddened, he emphasized, by the "mediocrity" of the economic debate in these

elections. Had he or had he not checked the growth of money supply, kept the budget deficit within the lowest limits of any industrialized country, he asked. Furthermore, had he tried to increase the productivity of the economy and maintained the stability of the franc?

"I did what I thought I should do, and I would be glad to see those who give me good advice do too. I have only one regret: there is hardly a chance that they will come and sit in my place at Matignon (the Prime Minister's seat)."

He seemed to relish the question put to him about the Government's bad record on unemployment, which President Giscard d'Estaing himself last week admitted was the failure of his first term. There was no such admission on the part of M. Barre, and he proceeded to inveigh against both the "exhibitionism of the heart" displayed by some candidates on this subject, and to call for a little more restraint in dealing with so painful a problem.

All the solutions proposed by M. Chirac and M. Mitterrand were "illusory", and would lead straight into a brick wall. He listed in this context reflation through consumption, redistribution of unemployment benefits to create jobs, and the reduction of working hours, though he admitted that the last point could be contemplated on a sector by sector basis.

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He was pessimistic about the future of the European Community, and said that "sooner or later a solution will have to be found to the problem of Britain's membership of it."

President Zia scores propaganda victory

From Trevor Fishlock
Islamabad, March 18

The welcoming arms of President Zia ul-Haq embraced the 101 people freed from the hijacked Pakistani airliner on their return today. The homecoming put the seal on an episode which has turned to the President's advantage.

For the time being it has strengthened his position and discredited his foes.

The passengers arrived in the North West Frontier capital of Peshawar and were greeted by a throng of thousands of people on their way home from Damascus. Clutching posies, they descended the aircraft steps in driving rain to be hugged warmly by the smiling President. The event was televised.

As far as most Pakistanis are concerned, the spectacle of the safe return of all but one of the hostages was the answer to critics abroad who say General Zia should have stood firm against the terrorists.

The mainstream feeling in Islamabad and elsewhere is that, given the complexities of the affair, the President handled it as well as anybody could have.

What seemed at one time a disaster for Pakistan is now a reverse for him has had, as far as he is concerned, a more than satisfactory outcome.

The unrest which has been growing in the country during recent weeks, leading to increasing questioning of the Government's stability, has been dispelled. The rug has been

pulled from the political groups which, last month, formed their Movement for the Restoration of Democracy. The group called for the President to step down and for the ending of martial law.

Perhaps most importantly, the Pakistan People's Party (PPP) the late Mr Bhutto's vehicle, increasingly active, in spite of the ban on political activities, has been dealt a considerable blow as the President scored his propaganda victory.

The terrorists who commandeered the PIA Boeing, murdered a passenger and captured 101 others, were held in jail in Pakistan—all in the name of Bhuttoism—may feel they have secured an objective. But in Pakistan they have left political figures tasting ashes. They have damaged the PPP and its leading lights. Mr Bhutto's widow and daughter, who, although not connected with the event, have been smeared.

The regime has made certain that in people's minds there is a clear link between the PPP and the terrorists. It has emphasized the reported part that Mr Murtaza Bhutto, the executed leader's son, played in organizing the conspiracy.

Politics and politicians do not enjoy high standing in Pakistan, and this episode has served to deepen pessimism about the future of politics. The desire for a return to democracy is, in any case, a patchy one and no means intense. As a result of the hijacking the democratic impulse in Pakistan has been severely jolted.

World View by Arrigo Levi

K factor still blocks Italian Communists

An Italian political leader has asked me and a few other "experts" on Eurocommunism this question: Do you feel that, as a result of the quarrel between the Soviet and Italian Communist Parties during the Soviet party congress in Moscow, there will be some change in the K Factor? Let me first explain this bit of Italian political jargon, then sketch my answer to the question.

The current theory about the K Factor runs as follows: The existence of a huge communist party as the leading party of the Left (for short: the K Factor) always prevents the Left from winning an electoral majority, due to its links with Moscow, is unacceptable by the others as a full-scale government partner.

So the question we were asked could be rephrased in these words: After the Moscow quarrel, will the Italian Communist Party (PCI) have more chances of winning an election, or become more acceptable as a government partner?

I shall angle the first part of my answer on facts, the second on perceptions. I believe it is a fact that there has been a qualitative change for the worse in the relations between the Soviet and Italian Communist Parties, mostly as a consequence of the Polish crisis. The Italian party has strongly supported Solidarity, has warned the Soviet Union against an invasion of Poland, and has publicly declared that a Soviet intervention would be "absolutely unacceptable by the PCI" and would have "irreparable consequences" (on its relations with the Soviet party).

The Russians have accused the PCI, in an official letter, of "objectively supporting antisocialist forces" in Poland.

The Moscow congress, where Signor Giancarlo Pajetta, leader of the PCI delegation in place of Signor Enrico Berlinguer, was not allowed to speak in full session but only at a "side-show" meeting, was just the occasion for publicizing the change for the worse in relations between Moscow and Rome.

Answering repeated Soviet attacks on Eurocommunism and its "antisocialist" policies, Signor Berlinguer capped up the quarrel by reaffirming in an important speech, after the congress, that "Eurocommunism is not a passing fashion but the start of a journey into the future". Its aim, he said, was "to invent and build a genuinely new socialism, as opposed to the 'mythical visions' of socialism (of a Soviet brand)."

"We listened", the Foreign Office said "afterwards, 'but we have not changed our position'."

by saying that the PCI is openly identified now by the Russians as a heretical party, and that it confirms its heresy. But there is no excommunication on one side, no voluntary schism on the other. The PCI does not change its name, nor do the leaders of the Moscow church throw the PCI out of the communist camp (as they exclude the Chinese).

So, in spite of all changes, a special link of sorts still exists between the PCI and Moscow. The K Factor has not yet gone away and there remains an undeniable "uniqueness" of the PCI in the Italian political scene. Its diversity has not disappeared.

Whether it has become less diverse than before, is a problem of perceptions, rather than facts. And perceptions are influenced by other developments, the most important of them being the state of tension between East and West and the coming to power, in Washington, of President Reagan.

Obviously, the main reason behind Moscow's decision to identify the PCI openly as a heretical party is the necessity to rally the faithful behind the banners of its own communism before a possible battle, or a renewed cold war.

But the existence of a cold war atmosphere also explains the need for the Atlantic Alliance to rally behind the banner of the Soviet Union against the threat of Soviet expansionism. This banner inevitably still carries a lot of stars and stripes. But while a Social Democrat like Herr Helmut Schmidt can join such right-wing leaders as Mrs Thatcher or President Giscard d'Estaing in declaring his support for President Reagan's policies, Signor Berlinguer cannot do the same.

The PCI is ever more critical of Mr Reagan, and of the Christian Democrat-Socialist coalition's support for him. Love in a cold climate can be difficult: so today is any romance between the PCI and Italy's democratic parties.

For all these reasons, I do not believe that the PCI, in spite of its exasperated relations with Moscow, will be more readily acceptable, in the coming period of international tension, as a government partner in Rome. For the PCI, Moscow may now seem more remote—but so does Washington.

The K Factor will be there, until the PCI refuses to change its name, and until it finds partners until it decides to pursue its neo-socialist dream in a no-man's land between East and West.

I shall conclude, on facts, © Times Newspapers Limited, 1981

Eighth whit murdered in Zimbabwe

Salisbury, March 18.—white farmer, Mr John Paul Franklin, aged 36, was murdered early today.

Franklin was shot by a black nationalist, bringing to 8 the number of whites killed in Zimbabwe in the past 10 months.

Mr Franklin died of injuries after being attacked opening his front door to unknown intruder at 6.30 a.m. police said.

Mugabe warning: Mr Rob Mugabe, the Prime Minister, said today that Zimbabwe's relations with the United States would be harmed if President Reagan supported South Africa against the bulk of the continent.

In the past 24 hours, Zimbabwe, Sierra Leone a Mozambique have all express concern about President Reagan's possible African policy—UPI and Reuters.

MPs want end to Albanian gold dispute

By Our Diplomatic Staff
A small but determined group of MPs is pressing the British Government to settle its gold-and-gunships dispute with Albania and restore relations.

Mr Robert Stanbury, Conservative MP for Orkney, said yesterday after being told by Mr Peter Blaker, Minister of State at the Foreign Office, that Britain and the United States would like to settle the claims with Albania.

Britain is willing to restore relations now and talk last about £30m (£11.7m) in Albanian gold being held in Bar of England vaults pending settlement of compensation over the sinking of two British warships in the Corfu Channel.

Outstanding American claim for compensation over property seized in Albania are stumbling block.

Leading article, page 1

Communist quits position in Finnish coalition

From Our Own Correspondent
Helsinki, March 18

The Central Committee of Finland's Communist Party announced today that Mr Arvo Aalto, the Minister for Employment, will leave the centre-left coalition of Dr Mauno Koivisto.

Mr Aalto, who is the party Secretary General and the leading Communist in the Government, will be replaced by Mr Jouko Kojanaho, who is also a member of the Central Committee.

It is assumed Mr Aalto will now concentrate on preparations for the party's conference in May.

Militant farmers put pressure on Warsaw for union recognition

Warsaw, March 18.—Militant farmers who have begun a fresh campaign to press for a free trade union today demanded talks with central government officials as Poland faced a new round of labour unrest.

The Warsaw authorities, who won some respite on the labour front last night with an agreement with free trade union leaders in the industrial centre of Radom, faced a challenge from the farmers and from a threatened national strike in the timber industry.

Amid the labour troubles, the Polish Democratic Party, one of two political groups linked in an alliance with the communists, ended a stormy national congress by dismissing most of its leaders.

In another development, Warsaw Pact land and sea exercises got under way in and around Poland. But Western diplomats in Warsaw said the exercises did not appear to be directly linked with the Polish crisis.

The exercises had been announced previously and the Polish media gave them unusual prominence today, apparently to emphasize that they involved only routine training.

In Bydgoszcz, northern Poland, militant farmers reported a statement in their latest attempt to force authorities to recognise a free Solidarity union for Poland's 3.5 million private farmers.

About 140 rural Solidarity activists are occupying Bydgoszcz headquarters of the pro-communist Peasant Party. Talks with local authorities broke down yesterday with no progress having been made.

Mr Jan Kulaj, the elected leader of the self-proclaimed Rural Union, said in a telephone interview from Bydgoszcz that he was insisting the Government send a delegation to begin talks.

A similar occupation strike in Rzeszow, southeast Poland, earlier this year on the issue of Rural Solidarity ended inconclusively.

Authorities maintain that there are already sufficient institutions in the countryside for the farmers. But Mr Kulaj said: "It is Rural Solidarity which represents the social and labour interests of farmers."

The Government was forced to turn its attention to the farmers and timber workers immediately after reaching agreement with trade union leaders from Radom.

There were workers agreed to end their strike threats after accepting a promise by Mr Mieczyslaw Rakowski, the Deputy Prime Minister, that he would send a government commission to the city within seven days to examine their grievances, most of which originate from the suppression of strikes there in 1976—Reuters.

The Polish News Agency PAP has claimed that those taking part in the strike are National Army and Air Force commandos of the Pact, together with special units.

The Polish Army newspaper Zolnierz Wolnosci said that the purpose was to test the "organizational abilities" of the military staffs and the standard of troop training.

The Foreign Office in London was among Nato foreign ministries, which reminded the local Soviet embassies that no notification of large-scale exercises had been received from Moscow.

Western sources infer that the Warsaw Pact is conducting what is largely a command-post exercise, not involving any substantial troop movements.

Similar tests of the Pact's efficiency are held every year. To this extent they resemble Nato's two-yearly Winter '81 exercises, the latest of which, Winter 81 is due to end next weekend after two weeks.

Winter also involves few troops, but tests the efficiency of procedures for crisis, and the Central Committee is to meet early next month when the new party programme, which includes statutory changes, is expected to be endorsed. Some 340 members of the commission preparing the congress have travelled throughout Poland, talking to

Assurances given on Soviet block exercises

From Patrick Brogan

The United States is watching the Warsaw Pact manoeuvres, Soyuz 81, with much concern and some nervousness. Mr Alexander Haig, the Secretary of State, last week described the manoeuvres as huge.

A State Department spokesman said yesterday that less concern was felt there than a few weeks ago that the manoeuvres might be used as a pretext for Soviet intervention in Poland where the labour situation has again deteriorated.

The Americans have asked the Soviet Union for reassurance on the matter.

They were told that the manoeuvres were not a huge, that they would involve command and control units and not large numbers of troops, and that the Soviet Union was, therefore, not obliged to give advance notice of them.

That instrument lays down that manoeuvres involving more than 25,000 troops must be reported. Reports of smaller operations are voluntary: the United States has always reported them, the Soviet Union never.

Henry Stanhope, Defence Correspondent for the Warsaw Pact has alleged Western fears that exercises now being held in Eastern Europe might be linked to an invasion of Poland.

The exercises involve the forces of the Soviet Union, East Germany, Czechoslovakia, and Poland, and are taking place in all four countries.

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An anti-English note struck during the St Patrick's Day parade in New York City.

Stormy meetings as rank and file push demands

Convulsion in Polish communism

From Dena Trevisan

Belgrade, March 18

The Polish Communist Party is in a state of turmoil over the issue of how far its reform should go.

Stormy meetings throughout the country are thrashing out who will control what and the future image of the party.

Whether the scope of the reform will be acceptable within the eastern bloc is also raising anxiety.

Poland's neighbours are watching for signs of orthodox communism giving way to a revisionism which would threaten not only the main lines of dogma but also the party's control.

There is an edge to the intensity of the present debate because until some measure of agreement is reached between the various factions, the Polish leadership will be unable to contain the extraordinary party congress.

This is proving to be extremely difficult since what the leadership can offer by way of meeting rank and file demand is not the kind of compromise or concessionary measures of the hitherto silent members.

They want the party to undergo structural changes and open the way to real influence and control from bottom to top.

In short, they are determined to destroy the ossified bureaucratic apparatus of the party.

The Central Committee is to meet early next month when the new party programme, which includes statutory changes, is expected to be endorsed. Some 340 members of the commission preparing the congress have travelled throughout Poland, talking to

party organizations for several months.

The congress cannot be held in the spring as had been indicated by Mr Stanislaw Kania, the party leader nor will it be held in June, as suggested a few weeks ago. It is now likely to take place after the summer recess.

Obviously the reform of the party is not only an issue between the higher echelons and the rank and file but among the leadership.

The party has lost its monopoly position and the question to which it must address itself is no longer that of preserving its monopoly but of safeguarding its leading position.

The argument advanced by Mr Kania is that the emergence of independent organizations, particularly the independent union, is not in itself a danger—the danger arises from political adversaries taking advantage of these organizations which the authorities have recognized and made legal.

Some of the leadership fear the loss of their privileged positions and with encouragement from Poland's neighbours exaggerate the danger from independent organizations.

But for the time being the influence of party leaders who see an advantage in the loss of monopoly rather than a danger, seems to have given.

They are moderate reformists and Mr Kania is clearly among them.

The reform-minded spokesmen talk of changes but their proposals are far from radical. They are inevitably affected by Poland's commitment to the Soviet bloc.

Even so most of the leadership is wholly convinced of the need for reform although the conservatives are entrenched in a powerful and huge bureaucracy supported by local party bureaucrats who are not going to give up their seats without a bitter struggle.

The grass roots majority, 99 per cent according to a recent poll, are pressing strongly for fundamental changes—some what sceptical of the leaders' sincerity in their professed desire to go along with this movement.

It is this majority with its demands for far-reaching democratization that is stirring anxieties even among the more liberal communists.

The leaders were obviously surprised by the response to the national commission to prepare the extraordinary congress.

Local committees, especially in industrial enterprises, moved swiftly and they have inundated party headquarters with about 12,000 resolutions and 300 comprehensive projects for party reforms.

Although Mr Stefan Olszowski, a hardline Politburo member, believes such an influx of democracy would turn the party into a "debating club" without force to put its policies into action the grass roots want guarantees that they will have a say not only in political decisions but in choosing party leaders. And there is not much sign of them yielding.

The programme which the Central Committee is expected to approve next month will be released for a nationwide debate.

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Bonn steps up aid to Poles

From Patricia Clough

Bonn, March 18

On the eve of a visit by Herr Hans-Dietrich Genscher to Warsaw, West Germany has stepped up its efforts to help relieve Poland's economic difficulties by increasing state guarantees on exports of West German goods.

Herr Kurt Becker, the Government spokesman, said Bonn had increased its export guarantees by 150 marks (33m). Of this 20m marks was earmarked for exports of badly-needed foodstuffs and 130m marks for semi-finished products.

This comes on top of the 240m marks worth of guarantees it has already granted to Poland this year both directly and within the framework of EEC food aid.

Last year, West Germany guaranteed a third of a 1,200m marks loan raised after much persuasion, from West German banks, and rescheduled long-standing Polish debts and gave further export guarantees.

Herr Genscher is expected to be briefed on the Polish situation in talks with Mr Stanislaw Kania, the party leader, General Wojciech Jaruzelski, the Prime Minister and Mrs Jozef Cyrankiewicz, the Foreign Minister. He will also discuss the state of East-West relations, which both countries are highly sensitive and general international questions.

The talks are routine consultations which have been taking place since the two countries normalized relations a decade ago.

Mementoes of Mary Pickford go for £160,000

From Ivor Davis

Los Angeles, March 18

Charlene Tilton, the actress from the successful television show *Dallas*, spent \$50,000 (about £22,720) on items belonging to the late film actress Mary Pickford during a three-day auction of treasures from Pickford, the estate of Miss Pickford and her husband, Douglas Fairbanks.

Although a final figure was not available, Mr James Goodman, the auction gallery owner, estimated that the sale of about 2,400 mementoes and possessions brought more than \$350,000 to the Mary Pickford Foundation Charity.

Although bidding was slow in the first couple of days, the third day ended in a mad race for a disappointing start, said Mr Goodman, who added: "We were satisfied with the outcome."

Yet many of the Hollywood items went comparatively cheaply. Some believe the auction lacked excitement because it took place in a gallery and not in the Beverly Hills estate of the silent screen star.

Among the prices paid by Miss Tilton were \$6,000 for a Louis Vuitton trunk and vanity and \$3,750 for a 14-carat gold six-piece vanity set which bore the initials "M.P." She also bought several other of Miss Pickford's possessions.

Bette Midler, the singer and actress, paid \$2,200 for an oil painting of Miss Pickford, who died in 1979 at the age of 86.

Rudolph Valentino's green and gold silk robe, from the film *Blood and Sand* sold for \$2,700. Miss Pickford's Lord Dunsany costume was auctioned for \$2,200 and the dress she wore when she married Fairbanks went for \$1,200.

Perhaps the best buy of the auction was the Chinese carved opium bed which went for \$800.

Bidding was so slow on the first day that at one time the auctioneer remarked cynically: "You're not renting these items, you're buying them."

Trieste, March 18.—A ton of hashish valued at 5,000m lire (about £2.2m) was seized today by customs men on the Yugoslav-Latvian border. It was in a refrigerated lorry.

Two Lebanese in the Kuwait-registered vehicle which was bound for The Netherlands, were arrested—Agence France Presse.

Prague, March 18.—Six girls, aged between 12 and 14, and two adults have died in a chalet fire at a mountain holiday resort near Ostrava, northern Czechoslovakia.

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Official union leaders questioned in Moscow

From Michael Binyon

Moscow, March 18

The leader of Poland's official trade unions, the rump organization depleted by the mass defection of members to Solidarity, has left Moscow after telling his Soviet counterpart what his organization was doing to restore things to normal.

The two-day visit of a delegation headed by Mr. Albin Szyszka, chairman of the Conference Commission of Polish Trade Unions, was apparently arranged so that they could inform the Russians how they were coping with the industrial unrest and depletion of their ranks.

Mr Szyszka was probably also closely questioned by Mr. Alexei Shibaev, head of the Central Council of Soviet Trade Unions, about the causes for the workers' dissatisfaction with his organization—something clearly worrying the passive and virtually powerless Soviet trade unions.

Mr Shibaev is a colourless

and relatively unknown figure on the Soviet political scene but recently the Russians have been trying to give trade unions more visibility and have been urging them to be more active in standing up for their members' rights and confronting management when necessary.

The two sides spoke of strengthening their ties and of the international trade union movement, according to a Tass report today.

Prudence Glynn

Forgive me if I shout but I want to be sure you understand

"Man Made Soul", intoned the salesperson in the Fifth Avenue shop. This opening conversational gambit seemed a sufficiently radical view of the Creation to merit a reply, especially as America is riddled with weird cults and you never know what bizarre theological fifties might be thrown your way.

However, just as I was deciding whether to stifle extraneous chatter with an icily British "Oh, really?" to rebut such dangerous opinion with a firm "Nonsense" or to jump right in with a provocative "and the Devil made Man", I noticed that the salesperson was not pointing to Valhalla or California but to the underlines of the scarlet sandals I was about to try on.

A further glance established that his remark was quite earnest, proving him not a theosophist but someone adhering to the equivalent of the Sales Description Act as best he might; it was apparent that a quip to the effect that I hoped God via Nature had had a hand in the uppers would have been open to misinterpretation.

It thus comes as no surprise to read that the Royal Society was brought to fighting talk last week over the linguistic analysis of two sentences. After all, there was nearly a nasty scene in the Fifth Avenue shop over one sparse attempt at communication. Had the salesperson said "the sole of the shoe is man-made" he would have been doing his legal duty and he would have been communicating in the same language.

one New York placard, but where does he go? It's not all like the 137 to Sloane Square. In general conversation, leaving aside such classic misunderstandings as "I'll just go and knock her up", there are any number of well-intentioned phrases that can give offence.

One encouraging development in transatlantic communication is the imminent legalization here of Citizen Band radio. Its wondrous jargon takes on where Esperanto left off, for the simple reason that while Esperanto was a manufactured ideal, CB-speak is an arcane necessity; understand it not, and the law will get you. It has a sloppy, inside track image which appeals to people increasingly forced into a communal mode.

Thus it may be that CB will prove Professor Noam Chomsky of the Massachusetts Institute of Technology to be less batty than some think he is. It was his contribution to the Royal Society debate which seems to have sparked off the better bits of communication on that occasion. What he suggests, I understand, is that "language is a uniquely human characteristic, and that each person has programmed into his genes a faculty called universal grammar".

Of course they do. On a higher plane many readers must have experienced that extraordinary ability to know, intuitively, what somebody else was trying to tell them, whether in a foreign language or because they have been denied the conventional methods of speech formation.

The British have always been convinced that all languages other than their own are superfluous, and most of us do not bother to learn any. Communication is still possible, we have discovered, by shouting at foreigners, if necessary making some slight concession to their own incomprehensible tongues by asking, occasionally, "savvy?" or "comprendido?"

Behind our arrogance and infatuation over their failure to understand us, lies a desperate need to communicate, whether to get our baggage safely out of the airport, or to tell someone we love them. Small wonder that the CBI,

in recent evidence to the Commons Select Committee on Education, Science and the Arts, criticized the present educational system for failing to promote social and communication skills and emphasized the importance of modern language teaching being directed more towards effective, everyday communication.

Translating the bureaucrats

To me, failure to communicate means wretched children cuffed round the ear for asking Why? and dumped for hours in front of the talking box, avoiding the need to say something to them. It means incomprehensible official documents which frighten the recipients or lead to deliberate avoidance because they incite such fury. People are paid simply to translate this gobbledygook into plain English.

Communication via the accepted senses is much studied. Sight, sound, touch, taste and feel all have marked channels ranging from the practical to the erotic. Interestingly, they seem to march in pairs, save for taste, and that, perhaps, because taste represents food, the staple of survival.

What of touch and smell? On the sexual level, the most erotic, skin and skin coverings, velvet, silk and fur, are complemented by perfume and the basic scents of human excitement. At the artistic and even the prosaic, the sweep of craftsmanship in perfect wood and its evocative scent.

Sight and sound? Is not the piazza dull without the sound of its bells? Is not the dress, which tells so much about the person who wears it, completed by the voice? Smart chitchat in a little velvet hat; fairy stories at bedtime in an ample nightgown.

Invited to speak last week at the Victoria and Albert Museum to the National Association of Decorative and Fine Arts Societies I was torn between telling them that in Communicating the

Heritage they should send it Pickfords and get postage stamps designed to fit what they are supposed to communicate. I resorted instead to the natural desire to talk at language.

If one wanted to be simplistic ab the ills of society it would be easy point to the modern failure of personal communication. Hedged around by taboos about what can and what cannot be said, done, thought, acted, imagined, influenced more by the me concept of perfection rather than our own bad temper or physical capabilities, we resort to introspective electronic gadgets, cuffing the kids; divorce.

If Professor Chomsky can get across his theory of universal grammar, a good luck to him. I don't care if it is semaphoric, pidgin Spanish or extrasensory perception. All I care is that he communicate. Meanwhile I would like to be reincarnated with American as second language.



Illustration by Jonathan Wills

Where are they now? The United States Army wants to find three men who, as boys in 1945, pictured above, stopped General Eisenhower for a chat somewhere amid the cobbled streets of the Frankfurt area. The moment, shortly after the end of the Second World War, was captured in this photograph which the army has released from its files, to be published throughout West Germany, in an attempt to contact the trio. A spokesman for the Fifth Corps said a special dinner is planned. Any of the three found will receive copies of the photograph.

Doubts about Obote economic revival

From Charles Harrison

Nairobi, March 18
President Obote's speech in Parliament yesterday announcing plans to revive Uganda's economy and appealing for an all-out effort to restore stability is being received sceptically by many Ugandans.

After 10 years of unrest and economic chaos under President Idi Amin and under a succession of interim governments, few of them appear convinced that Dr Obote can fulfil his promises to rebuild the country. Several underground groups claim to be operating a guerrilla war to oust President Obote, whom they accuse of having manipulated the election last December.

The opposition groups are gaining support as a result of the growing shortages of essential goods—including petrol, soap, cigarettes, sugar, and bread—and rising prices. Dr Obote has criticized international oil companies for insisting on prompt payment for oil supplies—suggesting that they are treating his govern-

ment more harshly than that of the former President Amin.

Exports of coffee, virtually the only source of foreign exchange, have recently risen with the easing of transport bottlenecks. Large quantities of goods bound for Uganda are held up at the Kenyan port of Mombasa because Uganda was unable to pay the port and storage charges there. But Kenya has granted Uganda a loan of \$15m to enable it to move these goods, and some of the shortages are expected to ease soon.

Dr Obote has invited Asians who were expelled under the Amin regime in 1972 to return and take back the businesses and industries seized from them. So far there has been no big response to his invitation, and he is suggesting a time limit after which such businesses should be offered to buyers willing to operate them. The Uganda Government banned four independent newspapers earlier this week. All had been outspoken in their criticism of the Obote Government.

Crop failure drives out Vietnamese

From Richard Hughes

Hongkong, March 18
Bad harvests and continually deteriorating living conditions are driving more people out of Vietnam. With the arrival of 255 refugees over the weekend, the total number reaching Hongkong this year has risen to 859, nearly double the figure for the same period last year.

Virtually all are ethnic Vietnamese—both from the North and the South—who explain their flight on food rationing and a complete loss of hope for a better life. Trung Dinh Dung, a graduate of the Electronic Engineering Polytechnic in Ho Chi Minh City (Saigon), said that it was known that about 60 per cent of the people in rural villages and 10 per cent in urban areas are suffering from malnutrition and only civil servants are entitled to nine kilograms (19lb).

He said that Vietnam had not had sufficient crops in the past six years since the downfall of South Vietnam. Significantly, most of the recent refugees came from North Vietnam. But those from the South claim that they run the risk of being fired on at night by coastal patrols in that zone. Anticipating another influx, Mr Karl Stamp, the director of the Hongkong Christian Services, said today that it will be necessary to promote a new campaign for increased resettlement abroad.

Expelled Asians inquire about compensation

Ugandan Asians in Britain were wary yesterday of a suggestion by President Obote of Uganda that they would be welcome to return there provided they arrived quickly.

The Confederation of Indian Organisations, which represents many of the 26,000 Ugandan Asians who fled to Britain when they were expelled by the Amin regime in 1972, wrote to the Ugandan High Commission in London.

The Asians lost an estimated £500m in assets when they were expelled and the confederation wants to know what compensation would be available if any did want to start up business there again. It also wants to know whether the Ugandan Government would offer dual Ugandan-British citizenship in case of trouble in the future.

Mr Kandi Nagde, the secretary of the confederation said: "We view the president's invitation as a policy of Dr Obote with some curiosity. We are interested to see if he is talking about compensation for what we lost, but the vast majority of Asians from Uganda have now made Britain their home, they like it here and they want to stay here."

Mr Denis Hills goes back to Uganda teaching

From Our Correspondent

Nairobi, March 18
Mr Denis Hills, the British teacher and author who was sentenced to death by firing squad in Uganda in 1975 for calling President Idi Amin a "tyrant", is returning to Uganda and hopes to teach in a secondary school there.

Mr Hills was saved from the firing squad when Mr James Callaghan, then Foreign and Commonwealth Secretary, visited Uganda and asked President Amin to release him. After a short stay in Britain, Mr Hills travelled to Rhodesia, where his experiences as a teacher featured in his recent book, *Rebel People*. He visited Kenya in 1979 to appear in the film *The Rise and Fall of Idi Amin*.

He recently returned to East Africa using a barge to ferry his car from Zambia along Lake Tanganyika to Bukenbura, Burundi. He then drove through Burundi and Rwanda into western Uganda. Mr Hills said he had received a warm welcome from Ugandans. He was offered a post at a Roman Catholic mission school at Kalongo, northern Uganda.

India doubles population in 30 years

From Our Correspondent

Delhi, March 18
India's population has risen to 683 million according to the census held last month. The rate of growth, however, has declined in the last decade from nearly 2.7 per cent a year in the 1960s to 2.4 per cent.

Literacy has increased from 34 per cent to 36 per cent, or 46.74 per cent for men and 24.88 per cent for women. Men still predominate, 353 million of them as against 330 million women. The decline in the population growth is believed to be the result of steps taken by the Government in the first half of the 1970s. However, the excesses committed in the name of family planning during the emergency are blamed for the electoral defeat of Mrs Indira Gandhi in 1977. Hardly any politician has since supported family planning in public. In fact, the growth rate, which came down to 1.9 per cent in 1978 has begun to rise again.

Jail for selling baby

Hongkong, March 18—A man was jailed here for the first time for selling his daughter of 20 months for the equivalent of just over £300 to pay gambling debts.

Mount Etna erupts

Canara, March 18—Two rivers of molten lava poured from Mount Etna and flames evacuated 250 villages from their homes after the volcano erupted during the night.

Phnom Penh protects small firms

From David Warrs

Singapore, March 18
Kampuchea's draft constitution shows evidence of experience gained not only from Laos but also from Vietnam. Its provisions, now being presented throughout the country, carefully avoid any suggestion of a return to some of the revolutionary measures of the Khmer Rouge era.

The institution, of which only outline details are available so far outside the country, shows evidence of Vietnamese influence, not least in its length of 10 chapters and 93 articles. The main striking of the economic provisions, drawing no doubt on Kampuchea's experience in Laos and Vietnam, is the provision that the private sector—mainly through better in the economy—shall be encouraged to develop. This is a far cry from the policy of the Khmer Rouge, which sought to abolish the private sector.

Given that so much foreign food aid has been used to pay government officials and workers, it is likely that food

supplies would have been more critical had it not been for the peasants' lively private enterprise.

In a meeting with foreign journalists in Phnom Penh yesterday, one official of the Kampuchean Government said not only that land "allotted to families could be inherited" but also that workers would be able to buy extra land with loans from the state.

The draft, to be presented to a National Assembly elections expected next month, says that the culture and languages of different nationalities will be respected and that there will be freedom of religion, except when it is used to undermine state security.

As for a visitor to Kampuchea, religion is being allowed to revive and places of worship are being closed and reopened—but only in so far as such work does not interfere with plans for national reconstruction. The Government gives this priority as the reason why no one is now permitted to pursue full-time religious study.

The provision of state security, however, makes it clear that the Government can move against religious quarters

at any time on the pretext of a threat to the state.

Great play is being made, not only in the text of the constitution, but also in presentations of it by government officials, of the equality it will bestow on women for "the first time in Kampuchea's history". Although the draft makes no mention of the country's Vietnamese minority, comments made by President Heng Samrin and quoted by Radio Hanoi could be interpreted as signalling the need for tolerance of a continued Vietnamese and East Block presence.

The President was quoted as saying: "The draft constitution advocates unity and equality among the fraternal nationalities within the multinational community in Kampuchea."

The constitution has been a year in preparation and, like the one recently introduced in Vietnam, will probably be discussed widely before implementation. Local elections, featuring selected candidates, have been held recently in parts of the country, and if the Vietnamese pattern has been followed the constitution will have been put forward for discussion at such meetings.

Not the whole story

The Times Cook



Shona Crawford Poole

Hand thrown pottery bowls, aided and abetted by macramé plant slings and scrubbed pine tables, appear to be essential to the consumption of whole foods, health foods and vegetarian victuals of all kinds. I particularly like craft pottery and scrubbed pine, though not indoor plants, especially when they are hung in knotted string chains. What I cannot quite fathom is the logic of the link between rustic artefacts and self-consciously healthy eating.

It is the same with the business of brown flour. It is wholesome and delicious in appropriate recipes, but is it compulsory? Is it the right thing for strawberry tarts?

A vegetarian, defined as a person who eats no meat, can dine simply or splendidly on all that remains. Defined as a person who consumes no animal products at all, a vegetarian who eschews meat, poultry, game, fish of all types, eggs, butter, milk and cheese has greater problems creating pleasing meals. So do those, condemned by medical advice or self-inflicted conviction to exist with as little fat and sugar as it is possible to ingest while actually eating at all.

Of all the restrictions that non-meat eaters impose on their eating habits, the least helpful and most easily discarded is the conventional pattern of meals. Eliminate nut cutlets masquerading as lamb chops and the lentil lookalike for liver. Forget that there is any such thing as a main course and many of the gastronomic difficulties are banished.

With the exception of some really good salads, the best vegetarian food I have eaten out has been Indian in a restaurant which offers an individual vegetarian meal. This one-man feast arrives all at once on a bright brass tray. There are small bowls of creamy dahl, bean and curry, minty yogurt and perhaps spiced spinach, accompanied by rice and hot, freshly made bread, either pousis or parathas. The key to

its appeal is not only good cooking. It is small quantities of a variety of harmonious elements, the culinary equivalent of mix and match dressing.

The following recipes lend themselves to this kind of meal. Well flavoured dips or spreads are easily prepared, much nicer than mushrooms pretending to be pine.

Behind our arrogance and infatuation over their failure to understand us, lies a desperate need to communicate, whether to get our baggage safely out of the airport, or to tell someone we love them. Small wonder that the CBI,

Creamed aubergine with walnuts

Serves six or more
450g (1lb) aubergines
1 clove garlic, crushed
55g (2oz) walnut pieces
4 tablespoons natural yogurt
Salt and freshly ground black pepper

Walnut halves or chopped parsley to garnish
Put the whole aubergines, stalks and all, in a shallow baking dish and bake them in a preheated moderately hot oven (190°C/375°F, gas mark 5) for about 40 minutes, or until they are very tender. Leave them to cool.

Open the aubergines and scoop out the flesh. Discard the seeds. Using a food processor, blender or pestle and mortar, blend the aubergine, garlic, walnuts and yogurt to a paste. Season it to taste with salt and freshly ground black pepper.

Serve creamed aubergine with walnuts at room temperature garnished with walnut halves or chopped parsley.

Pepper dip
Serves 6
2 large green peppers
2 cloves garlic, peeled
5 tablespoons olive oil
2 tablespoons wine vinegar
1/2 teaspoon ground coriander
1/2 teaspoon ground turmeric
Salt and freshly ground black pepper

Halve the peppers and discard the stems and seeds. Cut the flesh into narrow strips and put in a small, heavy based pan with the garlic, oil, vinegar, coriander and turmeric. Cook the mixture slowly, covered, for about 30 minutes, stirring occasionally to ensure that it does not stick. Purée the mixture by passing it through a coarse sieve or mouli loquies, process it briefly. Season the dip to taste with salt and freshly ground black pepper. Refrigerate it until needed, but serve at room temperature.

Humus
Serves six or more
400g (14oz) cooked chick peas, (tinned are fine)
4 tablespoons fresh lemon juice

4 tablespoons sesame paste (tahini)
2 cloves garlic, crushed
Salt to taste
4 tablespoons olive oil
1 tablespoon or more chopped parsley
Using a food processor, blender, or a pestle and mortar, blend the chick peas (well rinsed if they are tinned), sesame paste, lemon juice and garlic to a smooth paste. Season the mixture to taste with salt, and add enough olive oil (or more lemon juice or water) to make a creamy dip. Serve at room temperature garnished with parsley.

Bulgarians make particularly mouthwatering spirals of phyllo pastry filled with cheese. The cheese they use for these savoury confections is called brynzia and the pastries themselves, bantzia. If, like me, you can find no brynzia, feta will do very well. Feta cheese and phyllo or strudel pastry are most usually sold in shops specializing in Greek or Cypriot foods.

Bantzia
Makes 12
340g (12oz) brynzia or feta cheese
4 tablespoons natural yogurt
1 large egg
Freshly ground black pepper to taste
110g (4oz) butter, melted
12 sheets phyllo or strudel pastry

Crumble the cheese and rub it through a sieve. Add the yogurt and egg and beat the mixture to a smooth paste. Season it to taste with pepper and transfer the mixture to a piping bag fitted with a plain nozzle about 1cm (1/2in) diameter.

Brush two heavy baking sheets with melted butter. Place a sheet of pastry on a clean cloth and brush it lightly with melted butter. Fold the pastry double by joining the long edges and brush the top surface with melted butter. Pipe a line of the cheese filling along one long edge of the pastry rectangle, leaving a space at each end. Using the cloth to lift the edge, roll up the pastry into a cylinder. Brush it with butter and curl the ends in opposite directions to make a curly S-shaped spiral. Transfer the pastry carefully to the baking sheet. Shape the remaining pastries in the same way.

Bake the bantzia in a preheated moderately hot oven (200°C/400°F, gas mark 6) for about 20 minutes, or until they are golden brown. Serve hot or warm. Newly baked bantzia freezes well and can be reheated from frozen.

Dear comrade...

Even in the country of "over-equality" of women a female research worker at the Methodological Institute of the Academy of Pedagogical Sciences (roughly the equivalent of a reader in education at one of our modern universities) is not, as a rule, engaged in active correspondence with Mr Leonid Brezhnev or even one of his deputies.

But that is exactly what Dr Ruth Okuneva has done. In fact, she did more: she had a dramatic confrontation with Mr Anatoly Sazonov, Chief Instructor of the Central Committee of the Soviet Communist Party (roughly adviser on ideology to the Politburo).

She put Sazonov in his place, handling him about as gently as Mrs Shirley Williams would handle Prof. Alan Walters. Mrs Thatcher's economic adviser, if he were to invite her for an ideological discussion. Let us start from the top. Ruth Okuneva wrote to Mr Brezhnev on April 12, 1980. Her letter was addressed to him as general secretary of the party; none of the presidential nonsense. She wanted to know how it was possible that in a communist country there should appear under official imprimatur — there is no other imprimatur — books, articles and pamphlets containing antisemitic propaganda taken straight out of Streicher's archives.

She also wanted to know who gave permission to print in school textbooks for boys and girls aged 10-12 that "Christianity was born in the East" without one single mention of the Jews, and how it was feasible to write a history of the Soviet world without mentioning the Bible. She had also sent him 87 samples from various Soviet publications, for adults and children.

Some of the samples had three parallel texts on the subject of the Black Hundreds (a pogromist clique in Czarist times), from the literature of the Nazis and from some Soviet publications of today. The three texts are almost identical.

That was more than Mr Brezhnev could overlook. He instructed Sazonov to meet Ruth Okuneva and see what was going on. That became clear during the confrontation. Sazonov said: "Your letter was studied by everyone in our office (the Politburo), including the highest ranking authorities, and it received general approval." Not many citizens of the Soviet Union have ever had such a response to a critical epistle, at least not since the days of Lunacharsky, the Commissar for Culture in the Twenties.

The meeting between Ruth Okuneva and Anatoly Sazonov took place in his office on July 4, 1980, three months after the original letter to Mr Brezhnev. By Soviet standards (come to think of it, by any bureaucratic standards) it was a miracle of speed and efficiency.

I have before me Ruth Okuneva's verbatim transcript of the meeting. It had a hilarious opening.

Sazonov: Good morning, Comrade Okuneva, I have been waiting for you. Have you received one postcard from me or two?

Okuneva: Just one. And the telephone was wrong.

Sazonov: That's the way our

technical staff works. So about that. Please tell your first name a patronymic. (An invitation to be on equal and friendly terms.)

Okuneva: Ruth Yakovlevna. Sazonov: Well, Ruth Yakovlevna, your letter very thorough. How long it takes you to compose it? Okuneva: Two years.

Sazonov: This sort of treat should have been prepared the whole staff of an institute. Thank you. We find it interesting and useful.

Now we are getting a glimpse of the merits of Okuneva's case. Sazonov: You complain your paper that we do not mention Jews. It is not a policy to single out any of our nationalities.

Okuneva: Fine. But then why have to be consistent. Why you single out the Jews if negative treatment of them is the policy of the revolution? The Jews were 'struckbreakers and traitors' Lenin, writing about the san period, says: 'The Jewish organization Bund was the first Social-Democratic group in Russia'. Who is right? Sazonov: Who is the author of the textbook you have just mentioned, the one with reference to 1905? Okuneva: One Abenezdarsky. He lives in Minsk. Over a you.

How is it possible to write a history of the ancient world without mentioning the Bible

At that point Sazonov and Okuneva got entangled in a funny argument. He asked her to say "we publish" instead of "you publish". But it suddenly dawned on him that "we publish" would cover all the repulsive publications which seemed to dislike as much as Okuneva herself. Henceforth they used the passive voice — antisemitic hacks put him in a very embarrassing position.

Let me now quote some random examples from Okuneva's litany. The Black Hundreds: The Jews' role consists of conquering the world. The Nazi theoreticians: The Jews are increasingly trying to conquer other nations.

Bolsheviks in a Soviet publication: The Jews are obsessed with world domination. The Black Hundreds: The Jews are conquering international capital.

The Nazis: Germany has fallen into the hands of Jewish bankers. Skirlatov in a Soviet publication: The Jews have at their disposal the multinational corporations.

Let it be said that Dr Ruth Okuneva — who is, incidentally, half-Jewish and used to be a very good communist until she left in disgust for Israel — was given a very fair hearing at the highest level. And she made excellent use of it.

What next — a bonfire in Red Square?

J. J. Goldsmith



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SPORT

Silver Buck can beat old rivals in spite of unfavourable going

By Michael Phillips
Racing Correspondent

Just short of Gold Cup-winning form, the field for this year's Cheltenham Gold Cup, which will be the biggest in the history of the race which dates back to 1924. The size of the turnout reflects the open nature of the race, because there is no doubt that there is an if or a but concerning all the main participants.

For instance, Michael Dickinson has indicated that his runner Silver Buck must have a good run to be at his best but he is not soft underfoot yesterday. Then, there are his two rivals, old, Night Nurse and Jack of Tramps, to consider.

The question mark over the former champion hurdler, Night Nurse, concerns not only his ability to last three and a quarter miles on the soft ground, but also his ability to jump well enough under pressure. Jack of Tramps, who has been under a cloud for most of the season, and his form has to be taken on trust because he was affected so badly earlier this winter by a virus.

Silver Buck is the best horse in the field and he is my selection. He has beaten Night Nurse the three times that they have met, and what he has accomplished here over distances that favoured Night Nurse, let alone manage now over further, when the going is King George VI Steeplechase at Kempton in December. Silver Buck, outstayed Diamond Edge, Chirnall and Tied Cottage in that order. Night Nurse also ran in that race but his jumping under pressure, let alone his stamina, did not last the course, whereas Silver Buck jumped like a stag.

In Dickinson's opinion, it is taking a risk to believe that it is one that I am prepared to take, because going for any of the others involves a greater risk. Chirnall, for instance, ran yesterday; although the Irish are renowned for the unorthodox, especially where the thoroughbred is concerned, I do not believe that what he went through yesterday was the ideal preparation for such an ordeal. Furthermore he is not certain to be at his best in a quarter mile even when fresh.

Tied Cottage would be an extremely popular winner simply because of his previous record, but last spring, when he was disqualified on purely technical grounds several weeks after winning this race by eight lengths, Tied Cottage will certainly revel in the conditions underfoot but may be

just short of Gold Cup-winning form.

Joan Moore, who took over the training of Tied Cottage on the death of her late, and much respected husband, Dan last year, would love to prove me wrong. Little Owl is another who will not only stay but love the ground, although his jumping may let him down. Admittedly, his is an imposing record, but most of his victories were against second opposition. Ironically his only fall so far was here at Cheltenham a year ago. Michael Dickinson, the hero of this race three years ago, has been bedevilled by leg trouble in the meantime. He also fell in his last race at Newbury and will take all of John Francome's and Fred Winter's considerable made it here to be nursed back to win a race of this nature.

And so to the supporting programme, which begins with the Triumph Hurdle, again sponsored by the Daily Express, in which 30 four-year-olds, the maximum that safety limit permits on this course, will take the start. I choose this of all races for the best bet of the day must be tantamount to lunacy in the eyes of some, yet I believe that the prize will be won by the long time favourite, Broadsword whose aptitude and enthusiasm has been such a joy to behold this season.

Of course, short odds in such a crowded scene are not palatable, but Silver Buck has the right place for the occasion, second only to Francome this season. "Better now than we have ever had him," was how his trainer, David Nicholson, described Broadsword yesterday. It looks as though his danger lies in Ireland, where 10 of his rivals are trained. Our Irish Correspondent says that Kilmee, Here's Why, and Mandy are the pick of the runners.

An excellent bet will go to the post for the Foxhunter Challenge Cup, which boasts Christie's as its sponsor these days. The winner will be a horse to come from a short list comprising Gritter, Honorable Man, Persian Scimitar, Queensberry, Lad, Shannon Bridge, and Sparilla. Persian Scimitar will be a tough nut to crack.

The Ritz Club National Hunt Steeplechase could go to Sunset Light, a fresh horse who has been saved for the occasion. Looks good but to win the Cathcart Challenge Cup.



Drumgore and Frank Berry (left) at the last fence on the way to victory over the favoured Analogous Daughter in the Queen Mother Champion Chase yesterday.

Willie Wumpkins arrives on time

By Michael Seely

Willie Wumpkins stole the show at Cheltenham yesterday. The crowd went mad as Jim Wilson brought the 13-year-old home 12 lengths clear of Wait and See to claim the Coral Golden Hurdle (final for the third successive year).

The cheers were even louder as the pair returned in triumph to the unsaddling enclosure. But perhaps the biggest round of applause was reserved for the announcer's voice declaring that the winner's starting price was 13-2. At least two fans were thrown in the air at this point.

The surprisingly generous odds were on offer because of the support for Paulson, who was backed down from 7-1 to favour him at 3-1. Willie Wumpkins was born to run on Cheltenham. He loves the heavy ground, the undulations of the track and, above all, the stiff uphill finish. Willie Wumpkins has now won four times in six appearances at the National Hunt Festival. His first victory was gained back in 1973 when trained by Peter Tunstall's nephew, Adrian Maxwell. On that occasion he won the Aids-worth-nom known as the Sun Alliance Hurdle, and was not seen again until he was brought back by Singing Amah at the first flight.

The race was won by Gave Chance. Another shock came in the Queen Mother Champion Chase when Analogous Daughter, the odds-on favourite, was completely outpointed by her compatriot, Drumgore.

Drumgore, with a magnificent ride by Frank Berry, Drumgore gave his trainer, Arthur Moore, his first triumph at Cheltenham. This victory was carrying on a family tradition as Moore's late father, Dan, won two Gold Cups with L'Escarot as well as other important races on this track. Analogous Daughter's trainer, Bill Durkan, said that the mare would miss this afternoon's Gold Cup.

The 11th running of the four-mile National Hunt Steeplechase went to Lucky Bane. Steve Bush rode the six-year-old for Tony Balding. "This will be a National horse one day," the Weyhill trainer said. Balding's magnificent afternoon's riding was watched by a crowd of 22,800, an increase of over 1,000 on last year's attendance.

Piggott's partner, Lester Piggott, who has yet to ride a winner of the Lincolnshire Cup, was the first to ride a winner of the Lincolnshire Cup. He was the first to ride a winner of the Lincolnshire Cup.

Cheltenham results

2.15 (12.15) SUN ALLIANCE HURDLE (4.40) (Handicap: 59,476: 3m 11f)

1. Gave Chance (D. M. Piggott, 7-11-0) 2. Drumgore (F. Berry, 13-2) 3. Analogous Daughter (B. Durkan, 1-1) 4. Wait and See (J. Wilson, 1-1) 5. Broadsword (D. Nicholson, 1-1) 6. Night Nurse (D. Nicholson, 1-1) 7. Jack of Tramps (D. Nicholson, 1-1) 8. Silver Buck (D. Nicholson, 1-1) 9. Diamond Edge (D. Nicholson, 1-1) 10. Chirnall (D. Nicholson, 1-1) 11. Tied Cottage (D. Nicholson, 1-1) 12. Sparilla (D. Nicholson, 1-1) 13. Queensberry (D. Nicholson, 1-1) 14. Shannon Bridge (D. Nicholson, 1-1) 15. Honorable Man (D. Nicholson, 1-1) 16. Gritter (D. Nicholson, 1-1) 17. Broadsword (D. Nicholson, 1-1) 18. Night Nurse (D. Nicholson, 1-1) 19. Jack of Tramps (D. Nicholson, 1-1) 20. Silver Buck (D. Nicholson, 1-1) 21. Diamond Edge (D. Nicholson, 1-1) 22. Chirnall (D. Nicholson, 1-1) 23. Tied Cottage (D. Nicholson, 1-1) 24. Sparilla (D. Nicholson, 1-1) 25. Queensberry (D. Nicholson, 1-1) 26. Shannon Bridge (D. Nicholson, 1-1) 27. Honorable Man (D. Nicholson, 1-1) 28. Gritter (D. 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Ronald Butt says that Mrs Thatcher's strength is that her critics are inside not outside the Cabinet—they cannot disown her without virtually ejecting the Tory Party from power

Mrs Thatcher, safe in her two-Cabinet stronghold

On the night Mrs Thatcher announced the membership of her first shadow Cabinet in 1975, one of her enthusiastic supporters lamented to me her wholesale retention of Mr Heath's former colleagues. "That was her only chance to get a Cabinet of her own choice, and she missed it." As a result, in his opinion, she would remain enmeshed and would never really be in charge. I thought and said at the time that he was wrong, and I am even more convinced of that now.

With a sizable proportion of the senior members of the Tory Party highly critical of the direction of the Thatcher-Howe economic policy, the safest place for them to be, from Mrs Thatcher's point of view, is inside not outside the Cabinet. Now, of course, this makes for a divided Cabinet, as we have seen with the resistance of other ministers to the extent of the cuts in Government spending proposed by the Chancellor last autumn, and their dislike of the Budget now. Indeed, it would hardly be going too far to say that we now have two Cabinets, one inside and one outside the Cabinet, and there is no disguising the fact that the notion of collective responsibility has taken quite a hammering.

But does it matter? Is such disunity bad for government, and ought the Budget and economic policy to be placed much more firmly under the Cabinet's collective control? It is an old Budget tradition, going back to Gladstone's time as Chancellor, when all individual taxes were brought together in a single Budget, and the Chancellor has usually kept his Budget under wraps until almost the last minute, unveiling it to his Cabinet colleagues when it is too late for them to make any effective objection.

The principal justification for this

has traditionally been the prevention of any possibility of tax change leaks beforehand, and Mrs Thatcher seems to be stressing this aspect by order of any possibility of tax change leaks on this occasion. But the fundamental reason for secrecy has always been the wish of Chancellors to guard themselves from being forced by colleagues (sometimes with a Prime Minister's connivance) to make changes.

Some Chancellors, particularly towards the end of the nineteenth century, have, however, voluntarily consulted their colleagues about tax changes, occasionally even acting on their opinion when it was a choice between one tax and another. Sometimes they have even felt obliged to retreat or to resign on a Budget proposal.

It was over a comparatively minor difference with the Secretary of State for war, concerning a small economy required of his department, that Lord Randolph Churchill resigned in 1886, without even appealing to the Cabinet. In doing so he destroyed his career. He expected to be swept back to office by popular demand, but no such demand arose, since the public had little idea about the particular point on which he had resigned.

Neither the Prime Minister, Lord Salisbury, nor Gladstone in opposition thought that Churchill should have had his way in the matter. Salisbury, not sorry to see the back of a difficult colleague, acknowledged that a principal reason for the resignation was Churchill's "resolution to make the interests of his Budget overrule the wishes and necessities of all the other departments". When Churchill argued in the House that the Treasury could only control expenditure by cur-

ring totals without prescribing what should happen about details (an older version of cash limits), Gladstone thought it quite wrong that the Chancellor should have "any ruling authority on the great estimates of defence. If he had, he would be master of the country"—but he did have a special right "to indicate his own views by resignation".

So we have nothing very new in the present Cabinet arguments. The essential question is whether spending ministers have a right to force the Chancellor to find taxation (or to borrow against his better judgment) for whatever expenditure they absolutely insist on, and whether he in turn has the right to make them cut spending to fit his economic policy or, if they will not, to accept such taxes as he thinks necessary.

Obviously, in a sensible Cabinet, there have to be compromises. Indeed, there was compromise over spending cuts last autumn, when the Chancellor accepted less than he wanted, and there is compromise now as the other ministers grudge their teeth and swallow the Chancellor's disliked Budget. But in today's circumstances, there is a fundamentally important question at stake, which was not so prominent in the past and which is much more significant than arguments over this or that tax. This must, in the end, tip the balance of the argument in the Chancellor's favour, as long as he retains his office—and keeps the backing of the Prime Minister. That is his right to take personal responsibility for economic policy.

There is always tension between collective Cabinet responsibility and individual ministerial responsibility. Although all ministers must, if they do not resign, take public collective responsibility for policies they dislike, the real core of parliamentary

government is that each individual minister must take personal responsibility for the success or failure of his own policy and must, in the last resort, be free to act as he thinks right until he is turned out of office. If the Prime Minister wishes him to go, or the majority of the Cabinet will not serve with him, he has to resign, and his party must take the consequences. Otherwise, he must be free, after taking the expert and departmental advice available to him but not to his colleagues, to take the final responsibility.

In the last analysis, the Chancellor cannot insist that a defence minister makes cuts that, in the considered view of that minister, would endanger the realm; but equally, other ministers acting on political rather than economic criteria and probably more inclined than the Chancellor (since they are free of the pressures of expert advice) to be swayed principally by the urge to win the next election, ought not to force him to economic policies that conflict with his own judgment.

Collective Cabinet responsibility has always been an amorphous concept. Something still remains of the old parliamentary convention that the chief personal responsibility of each minister is an individual one, and is to the Crown and to Parliament—with the Prime Minister now inheriting the role of the eighteenth-century Crown, since nobody disputes that when the Prime Minister loses confidence in a minister he has to go.

There could, in theory, come a point at which Sir Geoffrey Howe cannot force the majority of his colleagues to accept an economic policy (or individual economies) which they think wrong, and when they will have their way because

without them the Prime Minister cannot maintain an effective government—but such an ultimate crisis is nowhere on the horizon. The bargaining will therefore go on.

There is no question of a new inner Cabinet or super Cabinet emerging, containing Mrs Thatcher, Sir Keith Joseph and Sir Geoffrey Howe as some kind of supreme triumvirate. The whole essence of the inner Cabinet as we used to know it in Macmillan's and Wilson's day is that it had to represent a collective of very senior ministers representing some degree of all sections of opinion, and dealing with all aspects of policy.

What we have now is something like a return of eighteenth-century political fashion, with a Cabinet of differing factions, in which Mrs Thatcher has ceded a great deal of autonomy to other ministers in foreign, defence and home affairs, provided that she and the economic ministers she has nominated keep charge of balancing the economy, which she regards as the paramount issue. In this, she has the advantage of a coherent interest group, whereas her critics are not, at least as yet, organized in rivalry.

Her strength is that these critics are inside not outside the Cabinet, and they cannot disown her now without virtually ejecting the Tory Party from power. This they will not do. Equally, she will not push them beyond the point of tolerance. There will be compromise made easier (so economic ministers hope) as the business cycle turns up and inflation diminishes, but the economic direction of the Government will remain where it is, in the hands of those who have the Prime Minister's confidence.



Sir Keith Joseph, Mrs Thatcher and Sir Geoffrey Howe: no question of a super Cabinet

Bernard Levin

Tipping: where I beg to differ

An exceptionally unpleasant story not long ago, which nobody came well out of, concerned a dispute over a tip to a museum attendant. It was suggested that the tip had been solicited but not given. I say nobody came well out of the episode, but really, I have never been able to see how it is possible for anybody to come well out of the business of tipping, which must be one of the most odious practices ever invented. I wish we could do away with it altogether. (A favourite travellers' tale—more exactly, fellow-travellers' tale—about the Soviet Union relates that tipping there has been abolished, but the claim is quite untrue, tips being expected and accepted in the same circumstances—restaurants, hotels, taxis—as they are elsewhere. I discovered this rapidly on my sole visit there: the only normally tippable figure who refused one was the driver of the Intourist car, and he was under the eye of my guide, who was of the usual approach. The moment her back was turned I proffered the roubles again, when they were accepted with alacrity and, I swear, a wink.)

An American once defined for me the nature of the disgustingness involved in tipping. "We never tip an equal," he said. He was right; the giving of a tip proclaims a superiority on the part of the giver, its acceptance admits an inferiority on the part of the recipient. The fact that both superiority and inferiority are imaginary is unfortunately irrelevant: it is the attitude they share that counts.

I know people who do not limit themselves, as I do, to saying that they wish the practice did not exist; they simply refuse to bow to it. I see the point; if nobody is prepared to start... But the snag lies not in fact that they are causing ill-feeling among the tippable but in the economic reality, which is that many recipients of tips rely on them for a substantial part of their income, and that indeed the income is frequently calculated on the assumption that it will be increased by tips. This must be true of taxi drivers, for instance, who do not own their own vehicles, and in a general sense even of those who do; also of waiters, though I imagine the tip is not so vital a part of their income as it used to be. More and more hotels and restaurants in Britain (it has long been standard practice on the Continent) put an automatic service charge on the bill, though I am afraid that I for one still feel constrained, though most uneasily, to distribute largesse none the less, and I have never yet had it refused.

I did have a tip refused in Sydney, though, and in the most encouraging circumstances. I was met at the airport by a representative of the organization which had arranged my visit, and he accompanied me to my hotel in a taxi. After I had registered, a porter showed me upstairs, carrying my suitcase, and when I offered him money he declined it cheerfully, on the ground that "the other bloke" had fed him in advance. The attendant at the men's cloakroom in the old Caprice restaurant would never accept a tip, and this civilized behaviour on his part was carried out with a remarkable demeanour, which left him full of dignity without causing embarrassment in the tipper.

It is not easy to see the precise distinction between paying for goods or services we buy from a shopkeeper or other supplier and paying for the service provided by the employee of a restaurant or hotel; but I am sure that the instinct is sound which distinguishes between them, and which rightly thinks it no shame to pay for a pound of apples or the work of a cleaner, but no less right to feel degraded by paying a doorman for whistling up a taxi.

One problem is that the custom is so deeply embedded it seems impervious to an attempt to change it: as I said, hotels which now include a service charge are no less tippable than those that do not. I have seen tipping going on without demerit from either side of the iron which sternly forbids the practice altogether. And though tipping is a mark of, and reinforcement for, class division it is just as widespread in countries (like Italy and the United States) where class we understand it in Britain do not exist.

No doubt some pestilent bug-bodies will soon suggest that should be forbidden by legislation, a cure 10 times won than the disease. My own feeling is that although pressure to abolish it must come from the hand that proffers it, money and the hand that takes it, it is in the latter that the solution lies. It is not much use refusing to tip if the person we would have tipped is steeped in the attitude implied by taking the tip, and is resentful at the omission. All, if the tipper insists on his superiority to the tipped, is tipped with a perfect remedy: the very action of refusing the tip automatically refutes the claim below the salt.

Even leaving these considerations aside, the practice results in much embarrassment and confusion. For instance, French theatre ushers expect a tip, but an English or does not; the former will indignantly point the latter bawling if they are treated like their counterpart on the wrong side of the Channel. German taxi drivers find the practice so odd that if you tip them they simply think you have made a mistake with a familiar currency; if, thus, a

An American once defined for me the nature of the distastefulness involved in tipping: "We never tip an equal," he said

couraged, you go to New York and fail to tip a cabbie (despite the fact that no New York taxi driver knows the Empire State Building) you will learn some extremely interesting vernacular expressions. (Although I have seen guide books so practical that they tell you what colour the telephone boxes are, I have never come across one that tells you in what circumstances to tip and in which not.)

"You never tip an equal," that is where it begins and ends, and a pretty nasty remark it is, too, when you think about it. For it suggests that if a man has more money than I he is worth more as a human being; worse, it suggests that that view of the matter is held by B, even if it is not held by A himself. But must the human race be divided into the beggar and the beggared? For that put bluntly, is what the habit amounts to; a man is paid wages to serve dinner in a restaurant, and when he has done the work he is paid for. He holds out his hand, metaphorically if not literally, for *baksheesh*. (In French and German, incidentally, there is a further twist to the spiral of implied contempt; the word for a tip in both languages suggests that the only thing the tipper will spend it on is a drink.)

It goes back a long way, this habit; Shakespeare is full of underlings soliciting tips. And the attitude behind it is found in the oddest places; even Mr Dooley succumbed, saying "When I give a tip 'tis not because I want to, but because I'm afraid it's what the waiter'll think." Until the waiter stops thinking it, there seems little we can do.

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The inspired general fighting a nation's apathy

Trevor Fishlock on Bangladesh 10 years after its birth

Dacca Ten years ago this month, in an eruption of wild excitement and desperate fighting, the people of East Pakistan at last and inevitably tore themselves free of West Pakistan and declared their republic of Bangladesh.

Years of unrest and weeks of high tension culminated on March 25, 1971, in the Pakistani army's determined move to crush the Bengali liberation movement. Dacca was a blood-bath and the whole country was mired in wretchedness.

In the small hours of the 26th, Zia ur-Rahman, a young army major and a Bengali nationalist, decided to resist Pakistan. "We revolt," he told his men. Later that day he went on the air to declare independence, a liberation secured the following December by India's decisive intervention.

For its flag Bangladesh chose a red disc on a green ground, described officially as "the sun of independence rising after the dark night of blood-drenched struggle". For all the brave rhetoric and heroic partition were followed by years of miserable infancy. Political turmoil was set against a backdrop of the most terrible and degrading poverty, aggravated by cyclone, flood and famine, with population growth hopelessly out of control.

There have always been compelling grounds for pessimism about Bangladesh, a whole country in intensive care. But today the case for optimism is stronger. Bangladesh is beginning to haul itself up by its bootstraps, and no one is arguing harder than Zia ur-Rahman, who was at the heart of the liberation struggle,

emerged as leader after the course of 1975 and has been President for almost four years.

The motif of his presidency is the Bell helicopter in which he dashes about the country to excite people with his vision of a developing Bangladesh. Although by no means a fanatic or lapel-grabber, he is an exhorter with a simple, unshakable faith in the value of collective effort. He believes that one of his main functions is to urge and inspire.

Grow more, he says to 90 million people in one of the world's poorest and most densely populated countries. Build more; irrigate more; dig more. Two children are enough.

He applies lessons learnt in the army where he found that motivated men could overcome difficult obstacles. Motivation and mobilization are two of his favourite words. He dislikes talking for an answer and likes to set targets. "Mass mobilization," he said to me, "that is the key. When I came to power the economy was in bad shape. There was no law and order, no administration, no money in the bank, no foreign exchange. There had been drought and famine."

Now we are working to double food production in five years, removing illiteracy by the millions, and educating people to teach others and stopping our population growing by aiming for a hundred thousand sterilizations a month.

Most observers in Dacca admire the President's enthusiasm and feel he has correctly identified the problems, not

least an apathy which has caked his people's existence for years. But few share his confidence that production and population targets can be reached.

"I know people say my targets are too ambitious, but we are proving we can do it. Just look at the land and see how we are digging the irrigation canals and growing double crops. At the same time we are finding natural gas and the

stone we need for building. We did not realize what we can achieve with our own hands. The possibilities are vast."

In the political system he set up, after 18 months of martial law, President Zia works, as a rough analogy, much as President Giscard d'Estaing does in France. Two years ago the Bengali National Party, which he launched, won two-thirds of the parliamentary seats. In re-establishing democ-

racy and encouraging the growth of a press which is largely free (though partly controlled by government advertising), and certainly free to criticize him, President Zia provided a necessary political dimension for a vociferously political people.

"Martial law was a stopgap. I was warned that democracy would not last, was too risky. Of course there are risks and people will make mistakes. But



President Zia ur-Rahman (dark glasses): a man in a hurry

LONDON DIARY

£15,000 hearing for poll reform Jenkins

Proportional representation, a subject close to the social democratic and Liberal heart, had what one of its campaigners called "its coming-out" at Tuesday night's rather grandly named Constitutional Reform Banquet at Guildhall in the City.

The City Committee for Electoral Reform, the local branch of the "all party no party" national campaign, had laid on Roy Jenkins, the only commoner speaking among four lords, to announce to his audience that proportional representation was now only an election away, assuming the Social Democrats force their way into Parliament.

He was too polite to say outright that, if the opinion polls held up, the new alliance with the Liberals will be the main beneficiary. The closest he came was to admit: "It would, of course, strengthen

the moderate centre—and is there so much wrong with that?"

Whether because of this prospect, or simply because of the magnificent surroundings, there was a full house of some 450, at £35 a head, with at least 100 more turned away. The speakers had some difficulty in battling against the somnolent fare, which ran the gamut of soporifics from sparkling wine aperitifs to liqueurs, not to mention a relaxing string quartet saving away discreetly in the corner.

Part of the problem was that Lord Scarmen, though in crusading form, went on much too long as the warm-up speaker; the other difficulty was that the acoustic of Guildhall's echoing vaults dissipated most of Jenkins' invocations.

Overhead during a particularly incoherent part of Jenkins' address: "Do you think you are looking at a future prime minister? I queried one of another. 'I don't', retorted the other, before light-fingered Hyppno once more stole in to lower his eyelids.

Hedunit

Harry Keating, *The Times* reviewer of crime fiction, has been awarded a notable stab in the back by his fellow-writers on other papers. Between his shoulder blades rests the 1981 Gold Dagger Award of the Crime Writers' Association, awarded by a panel of nine critics for his novel, *The Murder of the Mahatma*, a period piece set in the third century to celebrate the fiftieth anniversary of the Collins Crime Club.

It is Keating's second successful stab at the award, his first being in 1962 with *The Perfect Murder*. That time he walked away with only the danger: this time, thanks to Arts Council help, he picks up a £500 cash prize as well.

The major award for non-fiction has gone to Anthony Summers for his book on the Kennedy assassination, *Liza Cody* has taken the John Creasey Award for *Dope*, and veteran author Elizabeth Ferrars has collected a special Red Herring award for having churned out no less than 50

outstanding crime books. Too bad, Dick Francis and P. D. James; better luck next year.

Late tip-off

Denis Howell, the shadow environment spokesman, is expecting his second apology in a week from Michael Heseltine, the Environment Secretary.

The first concerns details of the Water Bill now before Parliament, but the second is a considerably hotter potato. Regulations concerning section 17 of the Control of Pollution Act were rushed through Parliament and became law on Monday, and Heseltine said that all interested parties had been consulted.

But it now transpires that the wretched Royal Commission on Environmental Pollution was not brought into the picture until it was too late. Under the new legislation, only 30 per cent of the three and a half million tonnes of waste being tipped each year now need be notified. Many local authorities, I hear, are afraid that unscrupulous waste disposers could include small quantities of toxic waste such

as arsenic or cyanide in loads which need no notification—and therefore could dump them anywhere.

"The Government really must look at this again," Howell remarked yesterday. "They got the Order through the House, but now it is clear that the critical people have not been sufficiently consulted."

Nom de livre

A Clarendonwell reader tells me of a small but significant victory over a computer.

For nearly three years he has tried to take advantage of one of those handsome introductory offers made from time to time by one of the many W. H. Smith book clubs run from an address in Swindon. The General Interest Book Club is again offering the complete *Oxford English Dictionary* this week, with magnifying glass, for £15 post free, a saving of £54. All you have to do is take four more books from the club during the year, as the small print clearly explains.

Our determined reader claims that he first tried his luck three



third attempt failed to change his tactics, obviously believing that once is circumstance, twice coincidence, and thrice is enemy action.

For his fourth try he says he adopted a false name but his real address. Behold, a gasping postman staggered up the drive bearing the long-awaited tomes.

My source tells me he joined another W. H. Smith book club about four years ago and as soon as he had taken his minimum quota of books he cut Swindon out of his life—until tempted by the OED. Can it be, he wonders, that the very mention of his real name now automatically produces negative noises in the Swindon computer?

It is not an offence to use a false name for un-grimpr purposes—he has already paid for his OED and has ordered the first of his four follow-up books.

The principle on which these clubs work, which to be fair is clearly stated in their literature, is that you automatically receive the book of the month unless you take positive steps to the contrary. The trick is not to remain inert but to pick

the four best books going as soon as possible and then resign. Having finally secured his OED, my man plans to do just that.

PEeasy

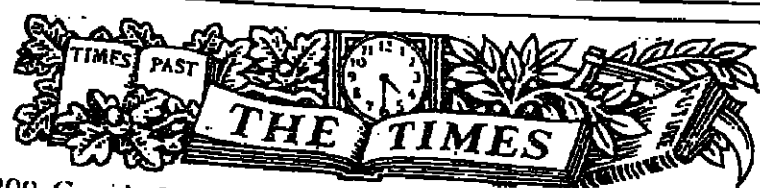
Micheal Foot was in good form at a Parliamentary Press Gallery lunch yesterday.

He reminded his press audience that while at Oxford he studied politics, economics and philosophy. "I was pretty good at economics," he confessed modestly. "I used to read Prof. von Hayek and Professor Hays, and I could tell the difference between the two."

He added that he got good marks for currency and credit. But he was obliged to confess: "I got leakage from the examiners. Even in those days leaks came from the proper quarter."

I have been looking at a motorist's touring map of Morocco, which includes a useful table headed: "Mileage chart in kilometres."

Alan Hamilton



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UNIVERSITIES UNDER STRESS

The Government's spending plans for the universities and the rest of higher education reverse the direction all governments have taken since the end of the Second World War. For the first time these institutions look forward to a cut in their real income over a period of years. The trauma is severe, the cries of pain loud and genuine. Three questions arise. Is the Government justified in reducing the level of expenditure on higher education in present circumstances? Is the result going to be as awful as vice-chancellors at first suggested—chaos, bankruptcies, collapse? How, if these cuts are exacted, should they be made to fall?

Higher education—seated in universities, polytechnics, colleges and institutes doing some first degree work—has been one of the growth points of public provision. The early postwar expansion was validated and boosted by the Robbins report of 1963. The pace slackened in the mid-seventies. Last year, this Government promised "level funding". Now it proposes "diminishing income".

Taken in the context of the nation's economy and the Government's plans for managing it the decision makes sense. The gross domestic product has been falling since early 1979. Some recovery is expected by the Treasury later this year, but it will at best be flatish. Few expect much growth in the economy for several years. Meanwhile, public expenditure, as a proportion of national product has been rising under a government politically committed to reduce it. Moreover, the size of the age group from which these institutions recruit most of their entrants begins a long and steep decline in two years' time, while the proportion of the age group which goes in for higher education has been declining for some years—for higher education as a whole, that is, not for the universities.

About the participation rate, university expansionists say that (a) positive steps should be taken to bring it up to the level of other advanced industrial countries; (b) that it is likely to rise anyway because birth rate in the professional and managerial classes did not fall along with the rest in the 1970s, and because the proportion of women entering higher education is still rising. If they are right there could be further pressure on the Robbins principle of places for all who are qualified and want them. They also say that a nation struggling to maintain its place in the industrial world cannot afford not to expand its higher education.

GIVE ALBANIA ITS GOLD

Albania is the only state in Europe with which Britain has no diplomatic relations. This was never a good thing but it did not matter very much when Albania was a satellite of Stalin's Russia. Nor did British interests suffer noticeably when loyalty was switched to Mao's China. Even now Albania is not high on anyone's agenda. It remains a small, poor and isolated country. Potentially, however, it is of considerable political and strategic importance. If it were to swing back into the Soviet orbit and provide bases for the Soviet navy the power balance in the Mediterranean would be affected, and Yugoslavia, Greece and Italy would be unsettled.

At the moment there is absolutely no sign of this happening. Albania is as relentlessly hostile to the Soviet Union as it is to China, which withdrew all aid in the mid-seventies. It presents itself as almost the sole remaining custodian of true Marxism-Leninism as exemplified by Stalin before the great revisionist "betrayal" by Mr Khrushchev. It is proud and independent of foreign credits (helped by near self-sufficiency in oil and substantial exports of chrome). It is not going to crawl to anyone, least of all to Britain. It is, however, putting out feelers to Yugoslavia, Scandinavia, and some of the smaller European countries. It seems to want friends and contacts, and is becoming slightly more flexible. At the same time the Soviet Union is seeking friends in Tirana for the time when a change of line might be possible. For Britain to have no presence in Tirana is becoming more of an anomaly.

THE EVIL OF HARASSMENT

Manifestations of racial intolerance take many forms more virulent than the harassment of black and Asian council tenants by white occupiers of the same estate. There is, however, something particularly unpleasant about acts which, though relatively trivial in themselves—a brick through the window or a racist slogan on the wall—engender fear and insecurity where people ought to feel most safe and comfortable, their own homes. The report published by the Commission for Racial Equality on racial harassment on local authority housing estates alleges that most councils do not even carry out their basic legal obligations to try to eliminate the incidence of harassment, let alone take any positive action to promote racial tolerance and understanding.

Of course, harassment cannot be considered in isolation. It raises complex questions of housing policy. The CRE report suggests that black families alone or among very few others on an otherwise white estate are often the target for racially

motivated hooliganism. Yet it cannot be right to create ghetto estates. The sensitive relationship between minority groups and the police is another issue. Do they come quickly enough when called to investigate a racially inspired crime, and how much priority do they give to catching the offender? Stir into the mixture the effects of unemployment—on both black and white—cultural alienation, and urban deprivation, and the evil of racial harassment seems depressingly insoluble.

There are, however, some tools at the disposal of local councils which they can use without reference to other authorities, without falling foul of any higher policy principles and without extra cost or manpower. Local authorities hold the ultimate deterrent in being able to terminate the tenancies of occupiers who grossly and consistently breach their tenancy agreements. Most such agreements make no particular mention of racial harassment, but there are other clauses which might cover such conduct. The

reconnaissance will serve as well for the more severe problems of diminishing income. The broad object surely should be to reinforce success; to concentrate resources where things are done best both within and between institutions; and to encourage differentiation within the university system with the consequent acceptance of different levels of funding. Research has become so much a badge and staff of the academic career that it would hardly do to expel it altogether from anything continuing to call itself a University. But different types of research could with some advantage be brought to characterize individual institutions—basic, applied and contracted, and that most honourable of "research" activities, the cultivation of scholarship.

To achieve the necessary savings it will almost certainly be necessary to close departments; even faculties, and to concentrate postgraduate studies. The closure of whole institutions is better avoided, if possible. It would have a Domesday feel about it not justified by the crisis either in the nation or in the universities themselves. Redundancy costs, whatever proves to be the true position about "tenure", would be heavy and should be treated by the Government as an item for additional funding, as in the coal and steel industries.

These judgments called for from the UGC would be better founded if they were related to similar events in the large non-university sector of higher education. It is a defect of the system that the only body in a position to take an overall view is the Department of Education, which is not equipped to do so; and that there is no corresponding body for the 350 or so other institutions engaged in higher education with which the UGC can coordinate its plans.

There are changes to be made in the structure and spread of higher education which are both desirable in themselves and compatible with a lower total cost to public funds. The Government's sudden jolt makes them at once more urgent and more difficult to accomplish. The desirable changes are institutional and therefore organic and therefore of measured pace. The Government is imposing sudden and rapid contraction instead. The loss of the quinquennial system of university finance, killed by inflation, leaves the universities exposed to spasms in the central control of the public finances. That is something which public policy expressly and wisely guarded against during the first three quarters of this century.

That whoever laid the mines (probably Yugoslavia) Albania was responsible for shipping in the Corfu channel, which is recognizable as an international highway. Albania refused to pay. Britain is reluctant to write off this now very small claim because it would set a bad precedent in other international disputes. It cannot return the gold unless Italian and American claims are settled—and there is an Albanian lobby in Washington which makes this difficult. Even if the three claimants could agree to take portions of the gold to meet their claims and return the rest to Albania they would need Albanian agreement if they were not to be accused of seizing their portions.

About a year ago Britain made what it felt was a significant concession by offering to open diplomatic relations with Albania without first settling these disputes. The Albanians were not interested. They wanted their gold back. Since then there have been regular contacts between Britain and Albania, some of them in Belgrade. Experts profess to see a glimmer of light at the end of the tunnel in the form of an agreement for offsetting some of the gold against claims. Britain should now pursue this light with more energy, flexibility and generosity than it has shown so far.

threat of eviction should not be made lightly, but it should be made nevertheless to those tenants known to be perpetrating racial outrages, and, if necessary, it should be carried out. Local authorities should also more often insist on their legal entitlement to claim compensation for damage done to council property by, for instance, the daubers of racist slogans. Unfortunately, it is not always possible to identify the racial activists, and perhaps an even greater difficulty, in practice, is that many of them may be children. It would be pious and unrealistic to encourage local authorities to evict parents because of the activities of their wayward children.

Above all, local authorities must begin to demonstrate greater active concern for the welfare of their tenants from ethnic minorities. The apparent indifference of their council can often be as distressing to a beleaguered Pakistani family as the harassment from which they have claimed protection.

University role in the economy

From Professor M. G. RUSSELL
Sir, While I understand the point of view expressed by Mr Christopher Bland (March 14), I must protest at his implication that universities are part of the "non-productive" sector of the economy. We produce trained manpower and we produce ideas, both of which are essential for the survival of the private sector of the economy. I might also point out that the "lead time" for each product is unusually long in industrial terms, and when, in four or five years' time, Mr Bland finds that he cannot get the manpower he needs, I hope he will remember his letter as one which contributed, in how small a way, to the impending decision of the university system. Yours faithfully,
M. G. RUSSELL
Department of Pure and Applied Physics,
University of Manchester Institute of Science and Technology,
PO Box 88, Manchester,
March 16.

Sale of 'The Observer'

From Lord Butler of Saffron Walden, CH, and others
Sir, Unlike the sale of *The Times* and *The Sunday Times* by the Thomson Organisation, the sale of *The Observer* to Lorch was announced by its owners, Altmann & Schach, without any advance notice either to the directors and staff of the paper or to the public. As a result, no opportunity for any alternative buyers to make themselves known has been allowed. This difference in procedure should give extra weight to the case for referring *The Observer* sale to the Monopolies Commission. Yours faithfully,
BUTLER
ROY JENKINS
DAVID STEEL
Cavendish Avenue, NW8,
March 18.

Budget contentions

From Mr G. Douglas Vaughan
Sir, In his letter to you (March 17), Professor Kaldor accuses the Prime Minister of failing to understand how a capitalist economy works. He argues, in relation to the Budget, that when resources are underutilised an increase in demand will increase production and not prices. Between 1969 and 1979, total domestic expenditure increased by 30% per cent at current prices but by only 23 per cent at constant prices. Thus 7.6 per cent of the increased money demand resulted in an increase in output and 92.4 per cent in inflation. The comparative figures for Government current spending show an almost identical picture. During this period, unemployment averaged 4.3 per cent of the labour force—hardly a full employment level. Professor Kaldor's contention even less when the decade is split into two. In the first half, with unemployment averaging 3 per cent, the proportion of the increase in nominal domestic demand ending up as an increase in prices was 83.6 per cent. In the second half of the decade, with unemployment averaging 5.8 per cent, the proportion dissipated in inflation was 94.4 per cent. One wonders which capitalist economist Professor Kaldor has been looking at. Yours faithfully,
DOUGLAS VAUGHAN
The City University Business School,
23 Goswell Road, EC1,
March 17.

From Mr I. R. McCrae
Sir, In today's *Times*, your second letter says that there is no World You Find The Money? and supports the preposterous increase of 20p in petrol duty. Some two years ago you made the equally spurious suggestion that petrol duty should be increased in order to do away with the vehicle road tax. I wrote in protest then as I do now.

Once again you are sitting in an ivory tower in New Printing House Square. Do please remember that transport costs in rural areas are preposterously expensive and a car is no luxury. The proposal is inflationary and will increase the cost of most goods in this part of the country where we are almost completely dependent on road deliveries. To say that the only way to find the money is to raise the duty on petrol and diesel is nonsense. Is it not possible for this Government to put its own house in order? Index linked pensions should certainly be stopped and why this annual wage and salary increase in both private and public sectors?

By all means increase wages for more work and salaries for more responsibility, but let us not a divine duty to expect more for the same or even less which seems to happen annually under every government whether of the left or the right. I am also disturbed to see no loud protests from the various tourist authorities over the petrol duty. Perhaps of course, they are frightened they might embarrass their paymaster, this very silly Government. Yours faithfully,
I. R. MCCRAE
Foddert Lodge,
Dingwall, Ross-shire,
March 16.

Worlds apart

From Mr Richard Law
Sir, I wonder whether Dr I. D. Bill (letter, March 12) has heard of Galileo? It was he, I believe, who took the first steps towards exploding the illusion that our planet was the absolute centre of the universe. It is, of course, quite possible for two galaxies to be moving apart at a relative velocity of 11 times the speed of light as long as both are moving and are moving in roughly opposite directions. After all, cars still crash into each other at relative velocities in excess of 100 mph, despite the 70 mph speed limit. Yours faithfully,
RICHARD LAW
11 Colville Terrace, W11,
March 12.

Independence of the state audit

From the Comptroller and Auditor General
Sir, I endorse Mr Garrett's conclusion (March 10) that the proposals made by the Public Accounts Committee (PAC) are of constitutional importance; and his criticism that your leader writer "Parliament and the public purse" (March 5) failed to understand the essential differences between public audit and the scrutiny of present and prospective public legislation. 2. He is also correct in pointing out that the present public audit arrangements, although they cover all Government departments and closely related activities, do not cover the nationalised industries or most public corporations. In my own papers and evidence to the PAC, which have been publicly available for some months, I made the case for an extension of the Comptroller and Auditor General's (C&AG) role into this area, and for a merger of the Exchequer and Audit Department (E&AD) and the district audit of local authorities. But I recognised that the former is a very different type of activity from that of Government departments, that both are controversial proposals, and that the whole subject needs more informed discussion than it has yet received. 3. Elsewhere Mr Garrett gets it wrong. Leaving aside the question of coverage, ours is not an exceptionally weak system of state audit compared with those of other western countries. While I have made it abundantly clear that further development is required, the E&AD has carried out value for money studies for many years. And, thanks to the close cooperation between the PAC and an independent C&AG, the actual effectiveness of this work is second to none. 4. That is the critical point against which to judge Mr Garrett's comments on the appointment of the

C&AG, recruitment of his staff, and so on, in support of the proposition that "the House of Commons must take control of the audit". That proposition fails to recognise the importance of the independence of the C&AG or the problem of achieving it. For while the C&AG cannot be a Jew unto himself and must be subject to some external check on his budget, his is a non-political post and he should not be subject to political or other pressures either from the Executive or from Parliament.

5. These conflicting requirements are met at present mainly (a) by giving the Executive some responsibilities for his budget and for the countries and gradings of his staff (although he recruits them himself), (b) by recognizing that if these responsibilities were exercised in a way which would impede his duties as Comptroller, he could and would appeal to the PAC (c) by providing that although the C&AG is appointed on the advice of the Executive, he is subject to dismissal by Parliament (d) by accepting that the C&AG, and he alone, controls the audit in accordance with whatever powers and responsibilities he is given by Parliament in legislation, and (e) by the C&AG being receptive to suggestions from PAC about areas or aspects of public spending which his staff might investigate. 6. Maybe the checks and balances represented by this mix of legislative provisions and conventions could be improved. I have made some suggestions to this end myself. There is no good case for sweeping them—and the C&AG's independence—away. Yours faithfully,
DOUGLAS HENLEY
Exchequer and Audit Department,
Audit House,
Victoria Embankment, EC4,
March 16.

Deep-sea mining issues

From Mr Martin Chorch
Sir, With reference to your leading article of March 10, "Running risks with sea law", I am afraid it is *The Times*, not the Reagan Administration, which does not understand the issues at stake in the current law of the sea negotiations. While it would be desirable for the world's nations to agree on a legal regime for the oceans, the current law of the sea conference has gone far beyond a simple codification of customary international law and has instead proposed that sea law be the centrepiece of a "new international economic order". Many features of the current negotiating texts are completely unprecedented, so it is little wonder that the Reagan Administration would choose to review the negotiations. Just because some commentators expect a completed treaty to emerge within six weeks, that is not a compelling reason to believe that the final product will be a good one.

It would do no good for the Reagan Administration to passively accede to a treaty draft which would only be rejected by the United States Senate. Judging from the Senate's recent record on the Panama Canal and SALT 2 treaties, the sea law treaty would require enthusiastic support from the Reagan Administration to receive ratification by the Senate. Far too much has also been made of the alleged mining company influence over United States sea law policy. This should not obscure the fact that the current negotiating texts envision the establishment of a United Nations cartel to control seabed resources. It is more than arguable that the proposed deep seabed mining regime harms the interests of developing countries, as it scares off those who might take up sea bed mining as a commercial proposition. The treaty texts also prescribe an extraordinarily complex and

cumbersome International Seabed Authority apparatus to oversee seabed mining and has even adopted the aim of protecting countries producing land base sources of potential sea bed minerals—a proposal bordering such levels of absurdity as the Canadian proposal for an "only work if the mutual loyalty and confidence of ministers and officials is unquestioned".

Some civil servants claim that it is the Government that has broken the relationship by singling out the Civil Service for especially rough treatment. But, as in other matters, there is a danger of confusing the Government's rhetoric with its record. Its action in suspending pay research is no different from that of every single administration in the last 20 years.

And while it is true that the Conservative Party is ruder, and more publicly rude, about the Civil Service than previous administrations, the reality is that the Government has cut down on political advice and on the support it has been ready to give its predecessors to trust official judgment on appointments and organization. For higher Civil Servants to strike against the Government's political judgment on the proper cash limit for their salaries is like a barrister making a speech against his client. There are many politicians who are only too keen to have a greater say in the appointment of "politically reliable" advisers; nothing could give them a better limit figure with the facts. Yours faithfully,
JOHN EVERSHED
Avenue Montana 23,
1180 Brussels,
March 11.

Use of an MP's privilege

From Mr Julian Fellowes
Sir, Thoroughly revolted as I am by the Pseudo-Philosophy Society with all its professed aims, I feel I cannot be alone this week in being almost as disgusted by the spectacle of a Tory MP dangling his victim over the howling jaws of the media. The feeblest student of human nature must surely be aware of how slight the connexion between pornography and practice need be. To flirt with fetiches is hardly rare in the best circles, but if every man who had ever bought a "bondage" magazine seriously desired to be thrashed up and coddled, which would surely prove a violent place indeed. This university, true to type, are confidently told has not committed an illegal sexual act, but merely spent the years accumulating his sad and grimy collection. And now for this pathetic offence—paid offence, so slight that it is beneath the official notice of the law—the wretched dependant on the whim of scrupulous Mr Dickens, is to have his life, public and private, more thoroughly smashed than if he had murdered his kinsman in broad daylight.

It is particularly depressing that this Salem-like justice should be meted out by a Conservative since, while that party's hold on the moral vote is ever slight, their own fulfilment of the duty of the citizen has been the importance of championing the rights of the individual against the so-called good of the faceless, heartless state. Yours faithfully,
JULIAN FELLOWES
71 Broucker Road, W3,
March 17.

Civil Service loyalties

From Mr John Evershed
Sir, Sir A. Clifford (March 11) suggests that civil servants should have the same fiduciary relationship towards the State as do members of the Armed Forces. I would suggest that the relationship is if anything closer still, more like that between a lawyer and his client. The higher civil service is paid to advise, not to execute, and is an only work if the mutual loyalty and confidence of ministers and officials is unquestioned. Some civil servants claim that it is the Government that has broken the relationship by singling out the Civil Service for especially rough treatment. But, as in other matters, there is a danger of confusing the Government's rhetoric with its record. Its action in suspending pay research is no different from that of every single administration in the last 20 years. And while it is true that the Conservative Party is ruder, and more publicly rude, about the Civil Service than previous administrations, the reality is that the Government has cut down on political advice and on the support it has been ready to give its predecessors to trust official judgment on appointments and organization. For higher Civil Servants to strike against the Government's political judgment on the proper cash limit for their salaries is like a barrister making a speech against his client. There are many politicians who are only too keen to have a greater say in the appointment of "politically reliable" advisers; nothing could give them a better limit figure with the facts. Yours faithfully,
JOHN EVERSHED
Avenue Montana 23,
1180 Brussels,
March 11.

Moorland conservation

From Dr M. L. Parry
Sir, Yet another move to safeguard our moorland by amending the Wildlife and Countryside Bill has been rejected in the House of Lords. But the narrowness of the defeat (97 to 91), and the large measure of support the amendment received from landowning peers, indicates the growing anxiety that if we leave our moorland without some statutory protection then we risk losing it to the plough. The complacency of the Government is extraordinary: it maintains that Exmoor is a special case and that nowhere else is the reclamation of moorland a problem. This simply does not square with the facts. 13,540 acres of the North York Moors have been ploughed up since the park was designated, compared with 13,800 acres of Exmoor; and a further 30,800 acres of moorland have been converted to plantation in the North York Moors, far more than in Exmoor. It is an irony that the inadequate level of protection proposed in the Bill stems from a concern for Exmoor where, arguably, the action has come too late. But our major concern should be to prevent a loss of moorland occurring on a similar scale elsewhere in the future. That is why we need to give National Park Authorities the power to preserve open moorland and this is precisely what the Wildlife and Countryside Bill fails to provide. Yours faithfully,
M. L. PARRY
Moorland Change Project,
Department of Geography,
The University of Birmingham,
PO Box 363,
Birmingham,
March 17.

Manifest absurdity

From Mr Oliver Weaver
Sir, Labour MPs and now a Conservative MP cannot both be justified in refusing to stand for immediate re-election as Social Democrats on the ground that they have remained true to the manifesto upon which they were elected while the party, and not they, have changed. Such an argument involves either the Labour and Conservative manifestos being the same, or the Campaign for Social Democracy being all things to all men. Yours faithfully,
OLIVER WEAVER
Kennel Farm,
Albury End,
Ware,
Hertfordshire,
March 17.

Celebrating a royal event

From Mr W. M. Sutherland
Sir, I refer to the announcement reported in your paper on Friday, March 13, that the Government has decided that July 29 should be a public holiday this year. Whilst I would venture that there is little support in the country for the views expressed by Mr Hamilton and his supporters and that the vast majority of British people wish Prince Charles and Lady Diana Spencer a joyous day on the occasion of their marriage, the Government's decision to make this day a public holiday has severely undermined its credibility with regard to its declared policy of support to manufacturing industry. The problems associated with taking a holiday midweek and its disruptive effect on most manufacturing processes must have been obvious to those involved. Further, more the day falls within a period during which a large number of firms will be on holiday anyway and there will consequently be

almost irresistible pressure from workpeople so affected to take an additional day of holiday at some other time.

It is my understanding that the CBI was not formally consulted on this decision and as it involves employers in considerable additional expenditure for further loss of production during these most difficult times I find this lack of consultation quite extraordinary. This finding is further compounded by the timing of the announcement, which was made two days after a Budget speech in which the Chancellor asked the nation to face up to the realities of its present economic position.

It is certain that this decision and the manner in which it was effected will be the cause of much dismay in the manufacturing sector. Yours faithfully,
W. M. SUTHERLAND, Director,
National Metal Trades Federation,
Fleming House,
Renfrew Street,
Glasgow,
March 13.

New Books

Voyages of discovery

Abroad

British Literary Travelling
between the Wars
By Paul Fussell

(Oxford, £8.95)

"IS THERE NO ONE AT ALL WRITING IN ENGLAND NOW?" bellowed Lawrence Durrell on a post-card from Corfu in 1935. Well, Eliot and Woolf were, for a start, but it is an argument of Paul Fussell's enormously enjoyable new book that images of voyage, discovery and dislocation informed the writings of those who stayed at home, whilst writers like Robert Byron, Evelyn Waugh, Isherwood, Auden and Greene placed it at the heart of their work after the example set by Norman Douglas, and before, during and after the First World War. *Abroad* begins at the battle of the Somme and ends with the Baedeker raids of 1940. The Baedeker works themselves went up three years later: the age of Fodor and Temple Fielding would soon dawn.

British writers in the Twenties and Thirties travelled to Europe to avoid Britain, and to Asia, Africa and America to avoid Europe. They fled from the corrupt, exhausted North to the supposedly innocent South. They were escaping their families, the climate, the enforced separation of spirit and flesh, the philistinism of the middle classes to which they all belonged, and when honest enough to admit it, like Waugh) of the working classes, too. Very few travelled like George Orwell and the Prince of Wales ("something more done") to look for the working class; the bulk set off in search of freedom, of sunshine, mimosas, cicadas and wine, of sex, love and romance which were widely believed to be more readily available abroad than at home. In Berlin, California and the South of France, this was undoubtedly true.

If they set out with the intention of writing about the journey itself they looked for the exotic and anomalous: pots of excrement for sale, an umbrella in flames, a skyline of coloured porcelain made good copy with which to redefine the norm from which they had originally tried to escape. Then they could either return (Waugh, Greene, Byron), or not (Auden, Huxley, Graves), or spend a large amount of time trying to decide which corner of the two to take. One of the reasons *Horizon* magazine never got off the ground before 1940, Fussell claims, is that only when all the frontiers of Europe were finally closed to him by total war could Cyril Connolly be relied on to remain in England from one number to the next. Indeed *Horizon*, rather more than Fussell allows, is the true coda of the travel tradition, with *The Unquiet Grave* (1944) its echoing, outrageous, parodic full stop.

Six years after that, we were in the Fifties, emotive incantation became the property of

advertisers and to writers like Osbourne, Amis and Larkin. Britain may have been awful but Abroad was, and remains, unimaginably worse. You still get a richer, blacker class of resonance at home: think of Dennis Potter, Malcolm Bradbury, David Hare. Our crisis of identity and purpose deepens, but it will never be solved on the shores of the Inland Sea. *Abroad* reveals more fully than any book that I have read before, that some of the answers were once found, for a while, in Liberia, Capri, China or Afghanistan.

The author of *The Great War and Modern Memory*, Fussell has here contrived a marvellous mixture of idiosyncratic wit and connections with just a dash of the computerized inquiry: *Abroad* reads at times as if certain key concepts like "location", "flight", "frontiers" and "place" have been fed lavishly into it on the principle that the more you put in the more you will get out: virtually everyone writing at the time who makes use of a key word gets in somehow, even the phenomenal success of *The Book of Ebenezer Le Page* for "Over the Hills and Far Away".

But if he occasionally fails to light a damp squib, he manages within the comparatively short space of 227 pages to include four substantial essays on the travel writings of Douglas, Lawrence (a miniature psycho-history in themselves), Byron and Waugh, and stokes up a very blaze of bilious opinion on the immaturity of tourism today in a highly entertaining chapter which is offered, I think, as an affectionate pastiche of the genre as practised by all four.

Avoid this if you have already planned your holiday this year, for you are certain to have made the wrong choice. Pack: holidays and mass tourism, the cult of the pseudo-place and the impulse to spend and consume are savaged with great zest and just as you are reading it with the complacent assurance that none of it applies to you, it is your turn:

...it is hard to be a snob and a tourist at the same time. A way to combine both roles is to become an anti-tourist. A useful trick is to ostentatiously not carry a camera. If asked about this deficiency by a fellow-carrying tourist, one scores points by saying "I never carry a camera. If I photograph things I find I don't really see them".

Ouch. Slightly unfair, perhaps, since the pursuit of public transport rather than taxi or the art of travelling in the vacuum-packed coach, another snobbery he instances, is surely nothing more than the last pale fluttering of the red-blooded English eccentricity which travels in such confidence outside Britain in such confidence between the wars and took the travel book — *Sea and Sardinia*, *The Road to Oaxiana*, *Labels*, *Journey Without Maps*, *Letter from Iceland*, *Black Lamb* and *Grey Falcon* — closer to both fiction and autobiography than ever before or since.

Greene's *Journey in West Africa* is overtly a metaphor for his own childhood; *Black Lamb* is a masterpiece on three levels: it gave "Yugoslavians" an identity that had certainly not had up to that point and perhaps not often since (perhaps it is the wrong identity for Yugoslavia, but it is the right one for the book); it

generates the peculiar electricity of the Thirties, and is informed throughout by the sensibility of its author, Rebecca West. *The Road to Oaxiana*, which Fussell describes as Byron's masterpiece, and more rashly, as the *Waste Land* and *Ulysses* of the genre, for its intellectual detachment and the way it deploys its material, abounds in brilliantly funny, rhythmic dialogues which Christopher Sykes, who was there for much of the time, says never took place. Anything processed by memory, we are reminded, more than once, is a fiction, and fiction itself, before regeneration by Joyce and Proust, was low in prestige at the time.

Fussell's least successful proposition is that the travel genre enjoys a formal independence and should be considered a genre by itself, for everything he tells us argues its diversity and binds it more tightly to other forms and to the central intellectual crisis of the age: what he calls "the search for amplitude" in a disintegrating and disorienting world. "Externalize yourself!" exhorts one of Douglas's Mediterranean sybarites in *South Wind* — a novel which, Fussell convincingly suggests, goes beyond the "Nietzschean naughtiness" of the Nineties to offer a serious, alternative moral entertainment to the horrors of 1917 — because only in a degree of faustian detachment could the individual retain control of his identity and stay sane.

Waugh had the gift, Douglas, too; and Byron, supremely. Robert Byron travelled not so much to escape Britain, still less his family, which he loved, but to escape the worship of Shakespeare and Rembrandt, Bloomsbury and the Classical world. He cherishes a lonely passion for Byzantine art and literally risked death to find the Tower of Qabuz in Iran, whose austere geometry and engineering, not to mention its size, was as different from the decorative traditions of Islamic art admired in the West as could possibly be. Outraged liberalism and a fearless contempt for officials were added to a controlled and very English empiricism which distrusted everything it had not seen with its own eyes and even took him to a Nuremberg rally so that he might learn at first hand what it was he must hate.

All readers interested in the period between the wars and in the art of travelling will derive great pleasure from *Abroad*: it shifts some of the limelight away from *Homage to Catalonia* and *Journey to a War back to Old Calabria*, *Etruscan Places* and Waugh's *Romantic People*, but for most it is the tour de force that Robert Byron and *The Road to Oaxiana* (1937) will be the major discovery, or rediscovery, of this compact, stimulating and clever book.

Michael Ratcliffe

Reviews in The Times next week will include Eamon Duffy on the Pope, Brian Martin on Beethoven, and Ronald Lewin on strategy, and John Dixon Hunt on gardens.

Fiction

The Book of Ebenezer Le Page
By G. B. Edwards

(Hamish Hamilton, £7.50)

The Kissing Gate
By Pamela Haines

(Collins, £7.95)

Rhine Journey
By Ann Schlee

(Macmillan, £5.95)

The China Egg and Other Stories
By Gillian Tindall

(Hodder & Stoughton, £6.95)

So who is the mysterious Mr G. B. Edwards? His publishers are obviously thrilled to bits by him. Mr John Fowles, who has written an introduction to the book, is intrigued. Your reviewer, too, is fascinated.

Mr Edwards is dead. He was born in Guernsey. He worked in London for a while. He disappeared for a while. He

The Sirian Experiments
By Doris Lessing

(Cape, £6.95)

Once there was an old bourgeois, a blonde female virgin, who begins to feel ashamed of her administrative experiments and who then says, "We all see truths when we can see them. When we do, it is always a temptation to consider those who have not yet seen them as quite intrinsically and obdurately stupid." So without apology or attack, she writes a interpretation of events she has experienced, initiated and observed, a type of samizdat report she calls a history of the heart, which makes up the sprightly chronicles in *The Sirian Experiments*. This is the third and final book in Doris Lessing's series of five semi-fictional novels together called *Canopus in Argos*: Archives; but its mischievous humour doesn't belittle its hard questioning about how human dissenters stand, fall, or are pushed.

Her narrator starts slowly, as a bureaucrat would, pleading for patience because only the weak ask for easy solutions as a refuge. Part of a junta of five colonial officials, she writes in exactly caught jargon how she ran her part of the Sirian

Empire, a star with 53 colonies which, because of technology, have almost total unemployment. They invent experiments instead of work. She kidnaps and cranks up her population, and observes studies where limbs and genitals are transplanted — "This caused severe psychological maladjustment". She also sets up an apartheid. Think Planet where the natives are protected (considering universal purpose) while one tribe is trained to be their servant race. The narrator buzzes about in her space bubble, has a severe shake-up when the earth, which she has grown to love, somehow turns topsy-turvy on its axis and before it resettles in a different way, she describes with vivid feeling the shrieks, the sloshing about, and the sinking cities.

The story covers much the same time as *Shikasta*, the first in this series: that is, pre-Eden, Paradise, The Fall, and good, evil and constant renewals since then. Some of the names used are Persian, and there's a blend of other languages and myths; Mrs Lessing may add a glossary in the next instalment but newcomers to the sequence should start with this book. Its hopes, and faith in love, are pure joy.

Myrna Blumberg

Quick Guide

The Dictionary of Imaginary Places, by Alberto Manguel and Gianni Guadalupi (Granada, £12.50). This Baedeker to the kingdoms and cities of literature covers the geography of fantasy from Atlantis (guide, Plato Critias and Timaeus) to Zenda, and from Toad Hall to Dracula's Castle. Its tone is arch. Bakerville Hall is in the hands of the fictional Trust, and ruins of Cloud-cuckoo-land exist today, notably the gate in the great wall, built of wood by flocks of pelicans. It is more useful as an armchair travel brochure than a reference book and introduces one to places to avoid. Capillaria this summer, anyone? It is inhabited by giant blond women who are immensely popular partly because of the public appetite for spectacular buried treasure, partly because of popularization by such television publicists as Mortimer Wheeler and Magnus Magnusson and partly because

of our modern fascination with our roots. Kenneth Hudson's extravagantly priced book is only incidentally about archaeology. It examines what has made our archaeologists dig since the Victorians, and our attitudes to their work. He trots some pet hobby-horses of his, from the way that "archaeology" has changed its meaning to the lust of excavators to be thought of as professionals, and approaches the digging game with original questions and refreshing irreverence.

Gertrude Lawrence, by Sheridan Morley (Weidenfeld & Nicolson, £8.95). They dimmed the light for her on the Avenue. Noel Coward, a friend since her teens, wrote that her quality was unique and her magic imperishable. When Hollywood gave her the (mercifully) posthumous accolade of a Julie Andrews movie, the tide had to be set. From the backstreet beginning, glamour was a necessary retreat.

An obvious subject for a biography — but, as it turns out, an ungrateful one. It is ironic that there should be such demand for showbiz biographies when most stars spend too much personality on their art to make interesting reading. Gertrude's star role was her life: real life (including a real daughter) was just what she could not cope with. From the backstreet beginning, glamour was a necessary retreat.

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[illegible]

■ Stock markets

FT Ind 491.1 up 3.5
FT Gilt 69.98 up 0.16

■ Sterling

\$ 2.2795 up 3.05 cents
Index 100.2 up 0.3

■ Dollar

Index 98.5 down 0.6
DM 2.0562 down 305pts

■ Gold

\$ 509.50 up \$17

■ Money

3 mth sterling 124.124
3 mth Euro \$ 131.144
6 mth Euro \$ 131.144

Bejam sells
quick food
business

Rejam Group, the frozen food specialist, has agreed in principle to sell its loss-making Trumpe hamburger business to Chef & Brewer for £3m cash. Chef & Brewer is an offshoot of Grand Metropolitan. Talks are going on with other groups to sell Bejam's remaining restaurants, for a further £1.5m. In the half year to last December the restaurants lost £303,000. Grandmet has made a £10m takeover bid for Warner, the last independent holiday camp operator in Britain.

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Savoy deadline

Another step in the £58m battle for the Savoy Hotel will be taken today when Sir Hugh Wootton, Savoy chairman, replies to Sir Charles Forte, executive chairman of Trusthouse Forte which made the bid. Sir Hugh is expected to send a personal reply by the 10 am deadline, refusing to call the shareholders' meeting which Sir Charles thinks will vote to back the bid.

Grindlays Holdings

Grindlays Holdings which owns 51 per cent of Grindlays Bank, will tell shareholders any material facts in the event of plans for major changes in the shareholding structure. Mr Nigel Robson, the chairman, says in his annual report.

£9m Laing contract

Laing Industrial Engineering and Construction has won a contract worth more than £9m to lay 51 miles of pipeline between Hatton, Lincolnshire and Peterborough, Cambridgeshire, for British Gas.

Textiles jobs decline

Employment in the cotton and allied textile industries fell by 19,300 in the 12 months up to and including January.

US stake in Innotron

Cambridge Banking Partners, a Denver, Colorado, venture capital group, is to acquire a 32.3 per cent equity shareholding in Innotron, the company set up with backing from the National Enterprise Board and the Oxford Instruments group to develop a microprocessor-controlled gamma counter.

Gilt terms eased

The Bank of England is easing restrictions on potential subscribers to its index-linked gilt issue by allowing subscriptions from pension schemes still awaiting inland Revenue approval as "exempt approved schemes", provided not less than 95 per cent of their income is likely to be treated as tax exempt.

Reagan choice

President Reagan has said that he will nominate Mr William Draper III as president and chairman of the Export-Import Bank.

Prime rate cut

The Chemical Bank in New York has announced a cut in its prime rate to 17 per cent from 17½ per cent from today.

Wall Street higher

The Dow Jones industrial average closed 1.53 points up at 994.06. The S&P 500 rate was 124.053. The £ was 0.546369.

Smaller banks in
Treasury plea
over windfall
profits tax

By Bryan Appleyard

The Co-operative Bank and the Trustee Savings Banks are in urgent talks with the Treasury over the impact of the windfall profits tax announced in the Budget. National Girobank, the Post Office subsidiary, has calculated that the tax will cost £10m, wiping out its total 1979-80 profits of £9.5m.

Both the Co-op Bank and the TSBs are unwilling to comment on the talks, but it is clear they are appealing for some kind of special treatment in view of the substantial effect the tax would have on their figures.

The Co-op, for example, made a post-tax profit of just over £6m in its last full year, but the tax could cost £4m. The TSBs are also sheltered by a regional structure but they estimate their total bill will be £10.5m out of an after-tax surplus of £70m.

The TSBs, whose chief general manager is Mr Tom Bryans, have also been upset by another Budget measure—the loan guarantee scheme for small businesses. They have been excluded from this despite being one of its original supporters.

Both banks are understood to be arguing that they should be treated as special cases because they are not profit-making companies in the same sense as the main clearing banks.

Mr Paul Gottlieb, Girobank's investment controller, said no special representations were being made, but the subject would be coming up in the normal routine meetings with the Treasury.

But the "special case" argument has received little sympathy from the big clearing banks. A spokesman for the five main clearing banks said they understood the feelings of the banks.

He pointed out that relatively the smaller banks would gain more from the £10m threshold on current account deposits below which the tax would not apply.

He said they appreciated the Treasury would have cash flow problems in paying the tax bill but the overseas profits of the big clearing banks would be penalized to meet the home tax bill.

Meanwhile, all the banks are marshalling their arguments against the tax in general. Estimates from the Committee.



Mr Tom Bryans: upset

of London Clearing Banks suggest that the latest full year profits from the leading clearing banks, including Williams & Glyn's, would come to £400m net inflation-adjusted basis.

The total windfall tax bill for the five will be £330m. With United Kingdom profits accounting for about two thirds of the total, the clearing banks argue that this means that the tax is more than 100 per cent on British profits.

Estimates of the impact of the tax from the four clearing banks are: National Westminster £100m, Midland £80m, Lloyds £60m and Barclays £35m.

The Treasury yesterday declined to comment on the talks. Speaking yesterday at the Institute of Credit Management in London, Mr Robin Leigh-Pemberton, chairman of the National Westminster, attacked the tax as "damaging in practice and in principle".

He commented: "One particularly disturbing aspect is that we were given no indication of the Chancellor's intentions during our lengthy discussions with the Treasury on ways and means to reduce government borrowing and improve the profitability of United Kingdom industry."

"Another is the retrospective nature of the tax and the fact that it sets a dangerous precedent which could be invoked for the profits of any industry at any time."

Indeed, the composite index of coincident indicators used to suggest that the bottom of the recession may have been reached towards the end of last year. The index has shown little change in December and January after striking a low point in November.

The January performance has, however, been heavily influenced by the sharp rise in retail sales. (Recently published provisional figures indicate that the volume of retail sales slipped back during February.)

Other indicators continue to suggest that the bottom of the recession could well be seen in the spring. In particular, the shorter leading index has continued to move upwards from its November low point.

In previous cycles the average interval between the turning point in the shorter leading index and a turn in the economy has been five months. In more recent cycles the lead time has tended to be still shorter.

The EEC Commission says the recession in Europe may also be close to its trough. Peter Norman writes from Brussels.

However, in a comment on the survey of business opinion it said the recovery still looked "uncertain or fragile".

The Commission has been encouraged by its index of production expectations, which has produced better results in the first two months of this year than in the final quarter of 1980, leading it to believe that it reached its lowest point in September, 1980.

£126m GKN profit turns into loss

By Andrew Goodrick-Clarke
Financial Editor

Guest Keen & Nettlefolds, the engineering group whose businesses most accurately represent conditions in the manufacturing heartland of Britain, plunged into loss last year after a £126m profit in 1979.

But shareholders still get a dividend of 11.43p a share gross, albeit a payment cut by nearly 60 per cent.

The group, which supplies components to the automotive industries of Britain, Europe and the United States, was the first big British company to indicate the seriousness of the recession in the engineering sector when it cut its interim dividend last September.

It reported a loss for the whole of 1980 of £12.6m. Sales by value remained static at £1,923m, indicating a substantial collapse in volume, and

exports, in many areas losing making because of the effect of strong sterling on margins, fell from £215m to £193m and are still declining.

Mr Trevor Holdsworth, GKN's chairman, said: "We need prosperous customers, but we cannot create markets; we can only find them."

To meet the conditions created by the recession, GKN reduced its British workforce by 2,400 last year to 56,600. Of these 11,000 were made redundant.

The costs of closures and redundancies by the group during the year was £48.6m, although this does include estimated closure costs up to today.

At least 6,000 more employees will lose their jobs with the group's British operations this year. Whether there will be more depends on conditions later this year.

There are some signs that the rapid decline in markets and destocking may be slowing down," the company says.

Weakness is however apparent in other European countries. It is not expected that 1981 will see any general upward trend in markets served by the group.

Mr Holdsworth said that trading conditions had been further aggravated during the past year by the financial crisis at Chrysler and Massey Ferguson, both big customers, which had to be rescued by international banking action.

Mr Holdsworth said GKN's aim now was to emerge from the recession as a "fitter" company. Despite the rationalization which had been carried through—much of it apparently necessary in spite of the recession—the group would be able

to meet demand when it returned.

However, it was not expected the automotive industry to regain the sort of levels seen at the beginning of 1979 even when recovery did occur.

Because of the Budget, GKN's private estimate of the number of British car registrations this year has been scaled down from 1.4 million to 1.3 million.

Despite the collapse into losses—which are still continuing in United Kingdom operations—the group's balance sheet remains sound, and it is pointing to some positive action during 1980, notably the creation of the Phoenix One steel making project. The group's general steel rolling business has been combined with British Steel Corporation interests, in Allied Steel and Wire, a 50/50 company.

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BSR group slumps to loss of £17.7m

By Richard Allen

BSR, the record-changer group and one of Britain's most successful exporters in the early 1970s, plunged from £3.5m profits to a loss of £17.7m pre-tax in the year to March 1981.

The deficit, much larger than last year's, was a victim of included redundancy costs of £4.8m and a swing from trading profits of £7.8m to losses of £5.4m.

The group said that sales of record-changers were substantially down on previous years and, as a result, sales of magnetic cartridges had also been hit. The group, which still exports about 60 per cent of its production to the United States, has been a victim of sterling's strength against the dollar as well as the effects of recession on the audio market worldwide.

The outcome of last year's performance has been a £16m write-off from the group's reserves.

However, Mr John Ferguson, chairman, said yesterday that after heavy rationalization, including two factory closures last year, the group expects to return to profits in the second half of the current year.

Sales in the first two months are down on the same period of

Increase in average earnings slows
to rate of 17.5 per cent a yearBy John Whitmore
Financial Correspondent

The annual rate of increase in earnings is continuing to slow down steadily and the large majority of new pay settlements in manufacturing industry are in single figures.

The most recent average earnings figures, published by the Department of Employment, show that the underlying annual rate of increase in January eased back to 17.5 per cent from 18.4 per cent in December.

That figure should continue to fall sharply over the coming months as new and lower pay settlements are agreed and some of last year's larger pay awards start to fall out of the comparison.

The Department of Employment estimates that the monthly rise in average earnings over the present pay round, starting last August, has been of the order of 0.8 per cent per month, equivalent to an annual rate of some 10 per cent. This compares with monthly increases of around 1.4 per cent last year.

After the relatively small number of pay settlements in the August-December period, with agreements for under 10 per cent of the labour force, January has seen a large number of new settlements. Indeed, it is estimated that the figures now include pay agreements for about 30 per cent of employees.

Figures from the Confederation of British Industry continue to point to a significantly lower level of pay settlements in manufacturing industry.

On the basis of its pay database, covering 750,000 employees in a representative sample of manufacturing industries, the CBI estimates that pay settlements in these industries since last October have been running at an average of 8.9 per cent.

On a broader front, the CBI notes that the average level of industry-wide and wages council awards in manufacturing, accounting more than 4 million people, are also in single figures.

The CBI does say, however,

that the trend of settlements in the private sector service industries has been rather higher than in manufacturing. But it adds that here too there have been some signs of a fall in the level of awards over recent weeks.

The lower rate of increase in the overall earnings figures from the Department of Employment largely reflects the lower pay settlements now working through. Although there has been no pick-up in the overtime hours worked, the cyclical fall in hours worked now appears to be levelling off.

Over recent months, the underlying rate of increase in average earnings, of about 0.8 per cent per month, has been just about the monthly rate of increase in the retail price index. That may mean that the case on the impact of the Budget makes itself felt on the retail price index.

Taking account of the retail Budget package, real disposable incomes are likely to fall over the months ahead.

CBI closes its ranks
on the BudgetBy Patricia Tisdall
Management Correspondent

Industry leaders closed ranks in support of the Government at a well-attended meeting of the Confederation of British Industry's policymaking council yesterday. Disappointment about the Budget was channelled into a general attack on public spending.

As business leaders looked at the problems behind the Government's Budget decisions, their collective reaction was considerably more conciliatory than that which immediately followed Sir Geoffrey Howe's announcement. There has been intensive behind-the-scenes discussion between CBI leaders and MPs since last Friday's emergency session with Mrs Margaret Thatcher and Sir Geoffrey.

It is understood that ministers have said they will back the CBI's own medium-term strategy for the economy, which involves modest increases in government capital projects provided current expenditures can be checked. CBI members heard reports on an eve-of-council session with MPs as well as on the talks with the Prime Minister.

After hearing what Sir Raymond Pennock, the president, described as "a wide diversity of opinion", the council united in endorsing a drive to get current state spending down.

CBI officials are to embark on an analysis of public spending which they hope to have completed within the next few weeks. They will be seeking to identify more precisely the proportion of costs which go on manpower, against social services and unemployment payments, for example.

In representations made before the Budget, the CBI had identified £1,000m which it considered could be saved by "good housekeeping" by the state. It is hoping that a more intensive scrutiny could produce at least another £2,000m by 1985.

"Manufacturing industry has set a very good example in cutting costs," Sir Terence Beckett, the director general, said yesterday. "We are pressing for the Government to follow."

He added that cuts of about 3 per cent a year in the non-trading areas outside the Civil Service could produce savings of about £3,000m. "A 3 per cent target is very modest compared with what industry has borne."

The emphasis on the need to cut state spending which has emerged from the CBI council should keep most of its component members happy, except perhaps the nationalized industry contingent. It is certainly in line with the criticisms of the Budget made individually earlier this week.

Sterling
gains
3 cents on
dollar

By Frances Williams

Sliding United States interest rates, and the prospect of further falls to come, sent investors hastening to sell dollars on the foreign exchange markets yesterday.

The dollar slumped to its lowest level against the Deutsche mark for 7½ weeks, down over 3 pence on Tuesday's close at DM2.0562.

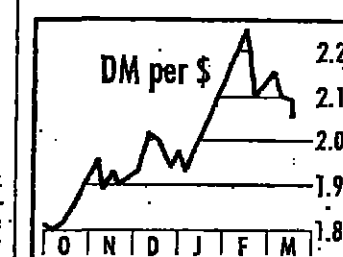
Sterling soared by more than 3 cents to end the day at \$2.2795, having earlier touched \$2.2810. It has now risen by nearly 3 per cent since the Budget, when Sir Geoffrey Howe, the Chancellor, cut the minimum lending rate by 2 per cent, and is up 4½ per cent from its low point at the beginning of the month.

Sterling's effective exchange rate reached its highest level for 3½ weeks, closing yesterday at 106.2 (average 1975 = 100).

Gloomy United States economic indicators pointing to a sharp slowdown in activity depressed Eurodollar deposit rates, which fell by up to half a point in early trading, followed in the afternoon by cuts in broker loan rates by several American banks. Prime rates are expected to follow suit.

The yen weakened in the wake of Tuesday's cut in Japan's discount rate. But gold rose \$17 in response to the dollar's decline.

In New York, sterling showed a similar advance, improving to 2.2920 from 2.2620 on Wednesday.



DM per \$

1.8 1.9 2.0 2.1 2.2

JAN FEB

150th Annual General Meeting will be held on 19th March at 2.30 p.m. at the Head Office

150 YEARS OF LOOKING AFTER THE FUTURE

Annual Premium Income Fund

1970 £ 8.9m (100) £ 86m (100)
1975 25.5m (287) 162m (188)
1980 66.4m (746) 504m (586)

Head Office
28 St. Andrew Square, EDINBURGH EH2 1YF

London
City: Morgan House, 1 Angel Court, EC2R 7HJ
West End: 61 Brook Street, W1Y 1YE

Branches throughout the country

Scottish Equitable Life Assurance Society

Scottish Equitable

Scottish Equitable

PRICE CHANGES

| Rises | Falls |
|----------------------------|-----------------------------|
| Anglo Am Corp 13p to 647p | Azarcos 53/16 to 518 3/16 |
| Barker & Dobson 2p to 13p | Bejam Grp 5p to 115p |
| Croch 0 | Exxon Corp 21 1/2 to £301 |
| Global Nat Res 18p to 202p | Harrison Cros 12p to 800p |
| Guthrie Corp 12p to 775p | Lawter 4p to 53p |
| | Minarco 10p to 643p |
| | Nubate Explor 15p to 385p |
| | Pearson & Son 5p to 196p |
| | Rancon Oil 15p to 635p |
| | Ryl Bnk Scot Grp 5p to 139p |

THE POUND

| Bank buys | Bank sells | Bank buys | Bank sells |
|----------------------|------------|---------------------|------------|
| Australia \$ 2.00 | 1.92 | Norway Nkr 12.57 | 12.00 |
| Austria Sch 34.95 | 32.75 | Portugal Esc 125.00 | 122.00 |
| Belgium Fr 81.50 | 77.50 | South Africa R 1.99 | 1.85 |
| Canada \$ 7.74 | 7.65 | Spain Ptas 196.00 | 187.00 |
| Denmark Kr 15.40 | 14.60 | Sweden Kr 10.75 | 10.20 |
| Finland Mk 9.55 | 9.05 | Switzerland Fr 2.32 | 2.25 |
| France Fr 11.40 | 10.90 | USA \$ 2.32 | 2.25 |
| Germany DM 4.66 | 4.62 | Yugoslav Dnr. 80.00 | 74.50 |
| Greece Dr 116.00 | 110.00 | | |
| Hongkong \$ 12.20 | 11.60 | | |
| Ireland Pt 1.33 | 1.27 | | |
| Italy Lit 2380.00 | 2270.00 | | |
| Japan Yen 495.00 | 470.00 | | |
| Netherlands Gld 5.38 | 5.12 | | |

North Sea companies-outbidding Civil Service in search for key personnel

Brain drain slows the pace of oil exploration

There can be few Civil Service departments which have the Government's blessing to take on more staff. The petroleum engineering division at the Department of Energy has, for despite its attractive salary increases it is still losing more people than it can recruit.

Staff shortages among specialists, such as geologists, log analysts and reservoir engineers, are now beginning to delay North Sea oil and gas exploration and production.

Work on the seventh round of drilling licence awards and on development plans submitted by oil companies has been put back.

The division is short of up to 20 specialists, on salaries ranging from £8,000 to more than

£27,000. It is looking for a replacement for the present head, Mr Henry George, and for a deputy—a new post which has remained unfilled for more than a year.

The shortage developed some years ago and worsened as the pace of North Sea exploration and development quickened. At the same time, the workload of the Department of Energy, which is responsible for such things as scrutinizing development plans, awarding licences, monitoring performance and supervising safety, has increased. Yet over the past year, the number of specialists has fallen, largely because of defections to oil companies and consultancies.

Altogether, the petroleum

engineering division is now about 40 under strength at 120.

The main reason is the higher salaries offered by oil companies. The differential is now put at more than 15 per cent. By the autumn of last year the division had succeeded, after strongly arguing its case with the Civil Service Department, to increase salaries to competitive levels.

Within a few weeks a significant gap had again been opened. The case for making salaries more competitive and attractive is again being prepared, although at a difficult time, when the Government is trying to hold the Civil Service pay line at about 7 per cent.

The salary differential is also

being widened by the entry into the oil business of small companies, or those with no previous experience. These have been prepared to pay premium rates to woo experienced staff away from large companies.

The Department of Energy is not alone in its problems; the Norwegian Petroleum Directorate has had a similar drain of qualified personnel. As the Government is unlikely to be able to outbid the oil companies, it seems likely that the shortages will be overcome only by increasing the flow of suitable applicants from colleges and universities. And that will take a few years.

John Huxley



America set for national coal strike

A national coal strike is almost certain to start late next week in the United States.

Both the mine owners and the United Mine Workers' Union are preparing for a very long struggle after past talks collapsed yesterday. No new round of negotiations has yet been arranged.

The last strike by the union lasted 111 days and it was only settled with the direct help of President Carter. The three-year contract set at the end of that dispute will expire on March 27 when the union's 160,000 members start their action. Mr Sam Church, the union's president, said that a strike was "inevitable".

But the strike is unlikely to have any significant effect on the economy for some time. Coal users and mine owners have been expecting a strike and have stocks have been built up over the past few months by the electric power companies.

The union is seeking a three-year contract involving total pay increases and fringe benefits of 45 per cent.

European concession on worker directors

British companies have won a new concession from the Legal Affairs Committee of the European Parliament in its draft directive on industrial democracy.

The committee has agreed that British companies can have a consultative council of workers instead of blue-collar directors. It has already conceded the right of all employees to vote by secret ballot.

Arab fund chief

Mr Faisal Abdul-Razzaq al-Khalid has been named director-general of the \$7,500m (£2,300m) Kuwait Fund for Arab Economic Development Fund.

Dunlop joint venture

Dunlop International has signed an agreement with the National Development Company of the Philippines to develop a £20m palm oil estate on the island of Mindanao as a joint venture.

Indonesia coal boost

Indonesia will increase production at its Bukit Asam coal mines in South Sumatra as part of a plan to raise its present output from 160,000 tons to three million tons by 1984.

Electrical slumps

The West German electrical industry expects no growth in 1981, after a 4.9 per cent growth last year. Herr Wolfgang Seelig, president of the industry association, said.

Fewer strikes

Italian working hours lost because of strikes fell sharply to 3.2m in January from more than 26m a year earlier, the government statistics institute Istat reported. The decline was partly attributable to an upsurge of discipline among workers afraid of losing their jobs in the worsening economic conditions.

Saudi oil production

Saudi Arabia's oil output last year averaged 9.9m barrels a day compared to 9.5m barrels in 1979.

Revenue for the press slumps but television figures exceed expectations

TV companies cash in on advertising

The commercial television companies are experiencing a boom in advertising revenues, which has defied all estimates about how the industry would be affected by the recession.

Largest advertising figures for television published yesterday revealed that revenues for February were £40.38m, about £3m more than most industry observers had expected.

The continuing strength of television revenues is in marked contrast to the trend in press advertising which has fallen heavily, notably in classified.

The February figure was lower than the 1980 equivalent of £41.95m, but revenues during the beginning of last year were inflated by the effects of the commercial television strike some months earlier.

Mr Kenneth Miles, director of the Incorporated Society of British Advertisers, said that the figures for last month were higher than had been expected.

Television revenue has been fairly buoyant recently and there is no evidence that expenditure is falling away. I am inclined to think that the poverty stories being put out by some television companies are just that, sob stories.

The continuing high level of consumer expenditure is what has maintained television revenues at higher than expected levels. If the present trend continues, Advertising Association's gloomy forecast for advertising revenues during 1981 is wrong.

The Advertising Association had predicted a 14 per cent drop for all advertising in money terms for the first quarter of this year and a two per cent fall for the whole year in comparison to 1980.

The ISBA now believes that television may see an eight to 10 per cent increase in television spending in money terms which would be equivalent to a small fall in revenue when adjusted for inflation.

Mr Michael Waterson, director of research for the Advertising Association, confirmed yesterday that revenues for both January and February of this year were higher than its unpublished estimate.

"They are very, very good figures indeed, given that we are meant to be in the worst recession since the 1930s. It is a simple fact that consumer expenditure has remained extraordinarily high throughout the recession", Mr Waterson said.

But the press is being hit by declining classified advertising. This has been severely hit for the simple reason that a high proportion of classified is job advertising and there are very few jobs around to advertise."

David Hewson

BNOC postpones N Sea expansion after Budget tax rise

By Nicholas Hirst
Energy Correspondent

The British National Oil Corporation has withdrawn plans to extend the Thistle field as a result of Budget increases in North Sea oil taxation.

This was revealed last night by Mr Philip Shelbourne, chairman and chief executive of the state-owned British National Oil Corporation, who strongly attacked the Government's Budget decision to raise oil taxes.

At the same time he pleaded for the introduction of a new North Sea investment fund based on the special offshore tax revenues which would be run separately from the Treasury and the rest of the Civil Service.

The attack on the tax increases will be particularly wounding to the Government, coming as it does from the head of a state corporation appointed since the Conservatives came to office.

In the Budget, Sir Geoffrey Howe, Chancellor of the Exchequer, said that a new supplementary petroleum duty at the rate of 20 per cent was to be introduced on North Sea revenues which, with other changes in the offshore tax regime, was to raise £1,000m from the oil companies during the fiscal year.

Mr Shelbourne told an audience of MPs, oilmen, stockbrokers and the City, that as a result of the tax increases BNOC was withdrawing from an extension to the Thistle field which it had previously planned.

The decision not to go ahead with the development comes after a statement yesterday by Shell that it would have to reappraise exploration and development plans, and Occidental's announcement last week that it would not go ahead with its plans for the North Claymore field.

Mr Shelbourne's plea for a new North Sea fund is as controversial as his attack on the increased taxes. His ideas are more in line with those of Mr Anthony Wedgwood Benn than any held by the present Government—particularly surprising coming from a man, who was one of the country's leading merchant bankers until nine months ago.

The energy fund would take the present royalties and petroleum revenue taxes and be administered by a board of trustees, including representatives of the oil industry, industry in general and the trade unions.

Its first aim would be to create new energy resources to replace those in the North Sea by developing hydrocarbons overseas and the first breeder reactor in the United Kingdom.

It should invest in new oil fields, create and support new industries such as microchips, and rebuild Britain's overseas portfolio.

Mr Shelbourne's fund would not contain as much money as the Treasury could provide. It would be a 90 per cent marginal tax rate, which the offshore industry was now paying, was too high at a time when fields were getting smaller, in deeper waters and more remote locations.

Asked what levels North Sea tax rates should be, he suggested that a total take of around 50 per cent would be sufficient.

Government aid of £20m for Du Pont

The Government is to spend about £20m to safeguard employment at the Du Pont chemical plant, at Maydown, near Londonderry.

Du Pont announced yesterday its decision to establish its first European plant to produce Hypalon, a synthetic rubber much used in the electrical, construction and car industries, at Maydown.

Costing £40m — of which the Government will contribute up to half in statutory grants — the plant will come on stream in 1983 with construction beginning almost immediately.

Until now Hypalon, introduced in 1952, has been made only at Beaumont, Texas, and the new Ulster plant will have a capacity of tens of millions of pounds a year.

Du Pont has operated at Maydown since the early 1950s and the sites competed with other Du Pont sites in The Netherlands, Germany and Luxembourg for the new investment.

Although construction at its peak will employ 750, the new plant when operating will have only 160 permanent jobs. These will be filled by members of the present workforce.

Continuity of government policy on investment in the nationalized industries was called for last night by Lord Kearton, former chairman of the British National Oil Corporation.

Lord Kearton said that many of the state industries operated where investment required long lead times, and continuity of policy was essential to the long-term success of those industries which could not be expected to alter strategy immediately as a result of changes in the market or short-term economic fluctuations.

Delivering the third annual lecture to the Nationalized Industries' Chairman's Group, Lord Kearton, who resigned from the BNOC chairmanship at the end of 1979, welcomed the evidence that the present Government was beginning to adopt a more realistic approach to the problems of the state industries.

He said the Government had adopted a "sensible and pragmatic" approach to the problems of the British Steel Corporation and British Leyland, and he had drawn encouragement



Mr Philip Shelbourne: strong attack on North Sea tax rise

and rebuild Britain's overseas portfolio.

"We should create a substantial fund used positively, and not frittered away," Mr Shelbourne said.

But Mr Shelbourne's fund would not contain as much money as the Treasury could provide. It would be a 90 per cent marginal tax rate, which the offshore industry was now paying, was too high at a time when fields were getting smaller, in deeper waters and more remote locations.

Asked what levels North Sea tax rates should be, he suggested that a total take of around 50 per cent would be sufficient.

Lord Kearton backs state sector policies

By Peter Hill

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He said the Government had adopted a "sensible and pragmatic" approach to the problems of the British Steel Corporation and British Leyland, and he had drawn encouragement

from comments made last month by Lord Thorneycroft in the House of Lords that the Conservative Party's role was not to abandon the public sector, but to support it.

Citing the decision to provide additional assistance to the National Coal Board as a demonstration of the Government's willingness to come to terms with reality, Lord Kearton said that such action must provide a reasonable chance that there would be better prospects ahead.

"The public enterprises, although diverse, cover many of the basic sectors of the British economy, and as such their activities are essential to the development of the economy as a whole."

There is little merit in trying to make great changes in their organization, or their scope; our aim should be to enable the public enterprises to operate as effectively as possible within the existing framework," he said.

Undue insistence on measures of short-term expediency, such as rigid operation of cash limits, could have disastrous effects on large sectors of private industry on which public enterprises drew for their supplies, he said.

Farm price rises warning by food manufacturers

By Hugh Clayton

More jobs would be lost in food factories if EEC ministers did not restrain farm price rises, the Food Manufacturers' Federation said yesterday. It opposed the Government's policy of holding up British farm prices by refusing to devalue the green pound.

The Federation said in a letter to ministers that 32,000 jobs had been lost in food companies in the past year.

It claimed that the present rate of the green pound "unnecessarily penalizes food processors who have to import agricultural products such as hard wheat and maize which cannot be grown in the Community in the quantities or qualities required."

The Federation welcomed the recommendation from the European Commission for a revaluation in the green pound which would mitigate the effects in Britain of a farm price rise.

This combination has been rejected by Mr Peter Walker, Minister of Agriculture, on the grounds that it would impose a virtual price freeze on farmers.

The Federation predicted that EEC farm ministers would agree on "an unacceptably high price rise" of about 10 per cent. British farmers' unions are demanding at least 15.3 per cent.

focused upon "increasing productivity, improving maintenance procedures and modernizing production processes."

It is not expected that Kaiser will devote much of its planned capital expenditure to the United Kingdom plant, while efficient and productive, is unlikely to be expanded while energy costs remain higher than in Kaiser's other operating areas.

The company is spending about \$80m on expanding its steel rolling mill at Koblenz in West Germany, mostly in response to rising demand for aluminium sheet for use in aircraft.

Mr Maier said in his report that the 1980s would be an excellent period for aluminium. "We expect the market demand for aluminium to grow at a faster rate than capacity expands through most of the decade."

His comments came after predictions by Sir David Hobbs, chief financial officer for Kaiser made in London last October, that the aluminium industry in the non-communist world had the financial capability to support a \$140,000m (£22,200m) capital budget for announced expansion in the next three years and for further growth to the end of the decade.

Reagan team split over Japanese car curbs

From Frank Vogl
Washington, March 18

Free traders and protectionists in President Reagan's cabinet have clashed over the question of forcing the Japanese to cut back car exports to the United States.

A task force which has been studying the plight of the American car industry will report to the President tomorrow.

Meanwhile, Dr Otto Lambsdorff, West Germany's economic minister, who held talks with Mr Paul Volcker, Federal Reserve Board chairman, gave warning that an American-Japanese agreement that set limits on car exports would not be acceptable to Germany.

He said this could lead to protectionist actions from Europe and it would change the rules of world trading.

White House officials, however, do not appear to be particularly concerned about European reactions on this particular point. They pointed out that numerous European countries already had assorted restrictions on car imports from the United States.

Some of these used such complicated customs procedures that the net effect was low levels of Japanese imports.

In Tokyo, Mr Rokusuke Tanaka, Japan's minister of international trade and industry, expressed a readiness to impose restrictions on car exports to the United States by administrative means (AP Wire).

Mr Tanaka said the Tokyo Government considered a voluntary curb on exports desirable.

Mr Tanaka indicated that his ministry had already started talks to find out whether the Japanese car industry was willing to accept limits to prevent the NNC from raising bilateral trade relations further.

"The question is whether to curb car exports to America by law or by administrative guidance. At the moment, we have no intention of resorting to law," he said.

"Administrative guidance" means using a peculiarly Japanese system under which the government, relying on the ties between big firms with industry, leads corporations in a direction that is in line with its wishes without passing legislation.

Mr Tanaka expressed confidence that he could convince car manufacturers to accept the Tokyo Government's advice.

The White House is under intense pressure from American car manufacturers and the United Auto Workers' Union to limit Japanese car imports, and such action would be supported by the chairman of the special task force, Mr Drew Lewis, the secretary of transportation.

He and several other cabinet officers, including Mr Malcolm Baldrige, secretary of commerce, want the Japanese to agree to a voluntary ceiling on exports of around 1.6 million cars a year. Last year the import level was 1.9 million, and at the moment it is above the 2 million mark.

But the top economic policy officials in the administration oppose protectionist moves, arguing that these are bound to add to domestic unemployment. The view is being strongly argued by Mr Murray Weidenbaum, chairman of the council of economic advisers. Mr Donald Reagan, treasury secretary, and Mr David Stockman, the budget director.

These officials are also suggesting that assorted deregulation moves could be taken by the government that could lead to savings for the car manufacturers of as much as \$5,000m over the next five years, and that this form of relief is far better than reducing competition. President Reagan is likely to take a decision within the next 10 days.

From Mr I. R. Keable-Elliott
Sir, I read with some amusement your article (March 12) criticizing the recent budgetary taxes on the "legitimate profits" of the banking and oil sectors.

Recently, as a chartered accountant, I have been working on the audit of a British branch of an American bank and an oil company involved in the exploration of, and production in, the North Sea. Both companies made considerable profits—through foreign exchange, transactions and the second spiral of oil prices that have of the North Sea oil field. When I read daily in your newspaper of manufacturing, service and distribution industries either showing record losses or being forced into liquidation I find it difficult to consider their excessive profits in the same charitable light as yourself.

However, much these institutions "cry enough" in respect of their recent taxes, I can assure you that directors, vice-presidents and employees alike are well satisfied with their cheap mortgages, inflated salaries and company perks not available to other professionals. Show me any banking or oil company official made redundant or resigning for a more lucrative post and I will be more willing to weep with you over the Government's latest measures.

Yours faithfully,
IAN R. KEABLE-ELLIOTT,
Tudor Crest,
Holderness Road,
Tooting Bec,
London SW17.
March 12.

From The General Secretary of Post Office Engineering Union
Sir, MPs who represent rural areas have every right to be concerned about the Budget increase in petrol costs or this could only widen the gap between the two nations—town and country.

People in the countryside have become increasingly isolated—and dependent—therefore on transport. Those who can afford their own cars feel soaring bills. Those who cannot suffer as schools and shops move further away, and the post and phone become an even more important final link with the world outside.

Rural areas have already suffered heavily from the closure of branch railway lines and cutbacks in country buses. Heavier motorway costs can only isolate the countryside even further—and make it even more important that those services which survive are protected.

However, incompatible Government policies make this unlikely. Should MPs shortly have an opportunity to challenge and question one such area of conflict when the British Telecommunications Bill is debated at the report stage?

Our post and phone services were founded on the basis of a common price and common service for all—with costs averaged out. So profitable urban business was balanced against unprofitable, but socially vital, rural services.

The Government says it is committed to that, yet it has introduced legislation which undermines the principle on which it is based. Opening up the post and telecommunications monopoly will not mean that the profitable services—or that the private sector will provide a universal service.

In practice, the privateers will only be interested in profitable areas—and the money available to the public service to underwrite rural needs will be that much less. At a time when the Government is forcing up a prime cost, transport, this policy of creaming off profits can only mean that rural services—the post, phones and sub-post offices—are placed in jeopardy, or prices are forced up, or the Government is forced to borrow more money to subsidise those services.

The Government cannot have its cake (competition) and eat it (maintain services without subsidy). And the countryside will be lucky if it even gets the crumbs.

Yours sincerely,
BRYAN STANLEY,
General Secretary,
Post Office Engineering Union,
Greystoke House,
150 Brunswick Road,
Ealing, London, W5 1AW.
March 12.

LETTERS TO THE EDITOR

Trade opportunities in Nigeria

From Lord Jellicoe and others
Sir, We, the chairman of eight of our major companies, accompanied Lord Carrington on his recent and most successful official visit to Nigeria.

The United Kingdom is now the largest supplier of goods and services to Nigeria with a market share of over 20 per cent and exports amounting to over £1,200m in Nigeria—with investment measuring some £2,000m at present market values.

This is as it should be since we share with Nigeria our history, our language, our legal and educational traditions, and our friendship within the Commonwealth—all of which help to strengthen our commercial and economic ties.

We are, of course, aware that there are broad difficulties in this market. In the past it has sometimes taken a long time to get the money out, there have also been problems over work permits. But equally we have each been glad to learn that both the British and Nigerian governments are conscious of the disconcerting effect which these issues can have on future trade if left unchecked.

None the less, we believe that British firms should also seriously consider establishing more joint ventures with Nigerian partners; in this way

they will help preserve the market shares in Nigeria expanding economy and retail valuable outlets and components raw materials. We were particularly impressed by the Nigerians' anxiety to see British contractors as well as French, German, Dutch and Italian contractors bidding for the many major projects which will be on offer during the next plan period.

Lord Carrington's sortie into Nigeria to show us the extent of the trade investment opportunities which exist at this time for British firms in the exceedingly important export market. We hope and expect that British business, industry, banking and agriculture will play their full part in responding to the challenges and opportunities which Nigeria is entering a new phase in its economic progress.

Yours faithfully,
LORD JELICOE,
LORD BARBER,
SIR AUSTIN PEARCE,
G. W. MACHIN-YOUNG,
R. G. PUTICK,
W. RICHARDSON,
C. H. TIDBURY,
A. J. R. VEALE,
Sugar Quay,
Lower Thames Street,
London EC3R 6DQ.
March 18.

Of course, governments have to be flexible and that does not mean failure, but means that we live in a real world, and would not wish any information to be withheld from the public as some papers have, but plying *The Times*, that the Treasury Select Committee report is an indictment of the Government's policy and the alternative policy should be adopted. It should not.

What a good government has to do is to recognize changing circumstances. This Government has done that and that is not a sign of weakness but is a sign of strength.

Your obedient servant,
A. M. BEAUMONT DARK,
House of Commons,
London, SW1A 0AA.
March 6.

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Press reaction to monetarist report

From Mr A. M. Beaumont Dark, MP for Selby Oak (Conservative)

I wish to make it crystal clear that although the Chancellor's policy may have been over-ambitious, and may have missed some of the targets, it set out to accomplish the basic alternative policy of spending thousands of millions of pounds the country has not earned would have been disastrous and would have headed off the country into a deflation of 20 per cent or more and still rising.

Because the Chancellor's policy was over-ambitious, it is none the worse for that. Somebody had to tackle the long term instead of the short term, as successive governments, Conservative and Labour have done up until now.

The reports of committees are bound to be camels that

exactly the same problems must have attended them as exist now; and the CEBG's abysmal performance in constructing conventional power stations over the past 15 years—culminating in the complete abandonment of the Grain project—shows that the nation needs to have CEBG as principal in constructing new nuclear stations, and NNC relegated to being its agent.

Indeed one may reflect upon the fact that at about the time that the Isle of Grain project started, the South of Scotland Electricity Board (SSEB) let a very similar oil fired power station contract to the Nuclear Power Group—since amalgamated into NNC. Despite a labour environment that on the Clyde—by any standards comparable to Isle of Grain, published information suggests that Inverkip was completed largely to budget and on time.

It may of course be—such ambition being a commonplace in powerful institutions with wage-earners—that CEBG would like to take over everything. Its past performance in the field suggests that the Government should not allow the fulfilment of that ambition.

Yours faithfully,
DAVID GREEN,
Riverside House,
Castle Morris,
Nr Haverfordwest,
Dyfed SA62 5EJ.

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Greystoke House,
150 Brunswick Road,
Ealing, London, W5 1AW.
March 12.

Of course, governments have to be flexible and that does not mean failure, but means that we live in a real world, and would not wish any information to be withheld from the public as some papers have, but plying *The Times*, that the Treasury Select Committee report is an indictment of the Government's policy and the alternative policy

BY THE FINANCIAL EDITOR

GKN's act of faith

All that Guest Keen & Nettlefolds could offer yesterday was that it may be bumping along the bottom of the recessionary cycle, but that at this point there is nothing to suggest any great improvement in 1981.

Shareholders now have to try and gauge whether the worst may be over for the share price, too—not easy in the face of a 1980 loss of £1.2m (against profits in the previous year of £126m) and a near-60 per cent cut in their dividend. For the present the shares are responding bravely, gaining 7p yesterday to 138p, and now 10p off the all-time low point.

Last year of course was exceptional; not simply because of the ferocity of the recession which wiped out the automotive-based earnings of the group in the second half, but also because profits have taken the blow of the cut-backs GKN has been forced to make. The cost of redundancies in on-going businesses, taken above the profit line, was £26m. There will be further charges of this sort in 1981 of course, but on nothing like the scale of last year—at least not unless the recession continues unabated throughout the year in which case GKN, like others, will have to resort to crisis measures, including disposals.

It would be unwise in the absence of any evidence in the Budget that the Government is prepared to stimulate the British economy yet and against a background of precarious recovery prospects in the United States and Europe to ignore that possibility.

GKN is at the moment sound; the balance sheet—more stretched than usual—remains stable in response to ruthless cash management. Nevertheless, there was a cash outflow last year of around £77m, and gearing, now at 54 per cent, is expected to "edge up" this year to around 60 per cent.

That seems to assume recovery in the second half of 1981. GKN is heavily, perhaps dangerously, reliant upon the automotive industry in Europe and the United States. Given recovery it will respond quickly and it will be able to do so much more efficiently. The alternative is obvious, and the shares, yielding 8½ per cent now on a dividend that is a pure act of faith in the future, represent a straightforward gamble on the ability of the manufacturing sector to pull through.

BSR

On the deck

Bloodshed at BSR has been much worse than even the most pessimistic of market observers anticipated. A pretax loss of £17.66m—including redundancy costs of £4.8m—represents a massive turnaround even from the previous year's paltry £3.5m profit and points to a marked acceleration in the group's downhill slide since profits peaked at £29m four years ago, so the passed dividend came as no surprise.

The optimistic view of course is that this deficit represents the end of BSR's agony, faving cut capacity by as much as a half in some areas and pared stocks to the bone the group has cleared the decks for a rapid return to the black aided by improvement in the dollar/sterling exchange rate. Certainly, BSR itself is hopeful. Remaining activities in the sound reproduction division are almost back to full-time working, production levels are climbing in consumer products and with the recent marketing success of Astec, expanding another East purchase is in the pipeline. This news had the shares yo-yoing to close 1p up at 15p, after touching 30p.

But investors who have lifted the shares from a "low" of 19p on a mixture of recovery and bid hopes are still having to take a great deal on trust. Despite a 16m net shortfall after tax credits of almost £5m, the balance sheet remains reasonably sound. Ruthless efforts on working capital have held borrowings to around the £35m level where they still represent three-quarters of shareholders funds.

But after a plunge in sales of more than a quarter—excluding Astec—there is scant evidence as yet that demand for BSR's audio products is picking up and hopes of involvement with RCA in video-disc manufacture have yet to materialise. Assuming the pound does not rebound further, the group could start making a turn on its US business which accounts for 60 per cent of turnover to produce a small profit for the current year. But that may not be sufficient

to put the group back in the dividend lists and having missed its chance to diversify heavily away from the basic record-changer business when times were good BSR is uncomfortably locked into a product whose technological edge can only remain under attack.

Bejam

The pace slows

Sentiment has turned against food retailing. Costs are outpacing food price inflation at a time of weakness in consumer demand. But the shares in Bejam, the freezer food specialist whose only direct competitor is the small Argyl Foods, are still only 12p off the 1980-81 high at 115p after shedding 5p on figures for the half year to December.

Bejam is now growing much more slowly. In the latest six months pretax profits rose by little more than 10 per cent to £4.5m while sales climbed by over 22 per cent to £98m, while over last year as a whole profits went ahead by 50 per cent and sales by 37 per cent. Moreover an attempt at diversifying away from freezers into fast foods has failed and Bejam is cutting its losses. The pretax profit was arrived at before £303,000 of losses in the restaurant division, and negotiations to sell the Truitts burger business are now in progress with Grand Metropolitan, which should produce £3m cash.

But too much should not be made of this. Bejam has faced its fast foods mistake, and put it right. It started the venture three years ago when tourists crowded London, the pound was cheap and the economy was thriving. Now all is changed. More foreseeable, surely, was the clutch of competitors now on the scene. But at least Bejam is wielding the knife quickly now that conditions have changed and in the meantime frozen foods are expanding rapidly. In the year to last June it extended sales area by around 9 per cent; and this has accelerated in the latest six months to 16 per cent and expansion is planned to continue as the retail recession has made it easier to buy redundant supermarkets from B&AT, Fitch Lovell and Tesco. Compared with other food retailers Bejam is still doing well, and it should make profits of £9.5m this year. The prospective yield is less than 3.5 per cent reflecting the group's premium rating in the food retailing sector.

Thomas Tilling

Spending through the downturn

After being slightly ahead at the half-way stage, Tilling found life increasingly tough in the second half of 1980 and, in particular, the group's exposure to the building industry has taken its toll. So Tilling ended the year with profits down by £10.4m to £70.7m.

The latest bout of acquisitions has not had much impact on the results contributing only £1m after financing costs, although Tilling can point to a number of successes among its United States acquisitions. In particular Ramtack and NSW, both oil-related businesses, showed useful rises and United States trading profits increased from £23m to around £29m.

The United Kingdom bore the brunt of the downturn with trading profits down by over £10m to £62m. Apart from the building industry side, engineering, furniture and publishing all had a bad time. Tilling continues to spend heavily both on capital investment and on acquisitions, investing £107m during 1980 and helped by an £18m cut in working capital. Tilling has been able to finance most of this internally, and year-end net debt was only 27 per cent of capital employed.

The extent of the recovery at Tilling during 1981 will depend largely on how the home economy and particularly the building, trade develops later in the year. However, profits could be back up between £80m to £90m although there will not be much relief on interest charges—up from £22.5m to £28m last year—since the group's debt is not especially interest-rate sensitive. But any maintenance of the final dividend, Tilling yields 6.6 per cent at 162p, which looks fair enough for a conglomerate which has proved its defensive merits during the recession.

Economic notebook

The public borrowing delusion

Perhaps the most extraordinary thing about last week's Budget was the way in which it enthroned the public borrowing requirement (PSBR) at the centre of government policy.

The Chancellor seems to have decided quite soon after Christmas that he wanted the PSBR for 1981-82 to be around £10,500m. At that time this did not involve any hard choices. The first forecast produced by the Treasury of what the Government would probably have to borrow in the next financial year (assuming the continuation of existing policies on such matters as taxation and spending) was also about £10,500m, so in taking this decision the Chancellor seemed to be opting for a broadly neutral Budget.

From that time on, the forecasts started to go sour. By February the forecast of the PSBR within the Treasury was over £12,000m and rising almost hourly. By the time the Chancellor stood up in the House the forecast was £14,000m if he left tax rates and allowances unchanged, which is the same as saying about £15,500m on the assumption that he would cut the £7,500m figure implied by last year's medium-term financial strategy.

Most of us presented with a forecast which had grown by £5,000m in less than eight weeks would think that should found a strategy. Yet every time the forecasters update their estimates, Sir Geoffrey seems to have increased the amount of misery which he was prepared to inflict on the economy.

This is clearly madness and it is made worse by the lessons of the past. As the table shows, the PSBR is almost impossible to forecast accurately. In fact, the Treasury has been wrong in Britain in a system of government in which the key economic decisions are determined by forecasters' errors in something (the PSBR) which is inherently unstable. That alone is a reason enough to stop using the borrowing requirement as the importance it has assumed.

But there are other reasons why a big shift in Government thinking about its borrowing is long overdue. The first is to do with the role played by government borrowing in the economy. Why does the PSBR actually matter? The Government's answer is that it is a vital component in determining the growth of the money supply.

Such academic work in recent years has shown that this is not true in the naive form in which the Prime Minister seems to believe it. The growth of the money supply during 1980 was not caused by excess borrowing in the public sector. Most of the government deficit was financed by selling long-dated gilt-edged stocks, without borrowing from the banks. The real drive behind the growth of the money supply came from private borrowing.

Indeed, public borrowing sometimes actually slows down the growth of the money supply as measured according to the Government's criteria. If the public sector buys goods from a factory, the public spending can be financed without expanding the money supply, through selling gilts. Private buyers are much more likely to have to turn to bank finance, as they did in 1980.

Another kind of argument put forward by the Government is that because the public sector is competing for money it drives up interest rates. But the evidence of 1980 is that high interest rates were needed at least as much to cut down private borrowing as they were to persuade people to buy public sector debt.

So much for the economic theory. The practical issues tell even more strongly against the Government.

One of the things which Ministers constantly lament is that they have to cut public investment in profit-making industries because it is part of the PSBR. If only some way could be found to mobilize "private" capital they say, we could have all the electrified railway lines and modern telephone exchanges we want.

Behind this is the vexed question of what is, and what is not, public borrowing. As far as the Treasury is concerned, anything which is covered by a Government guarantee is public borrowing.

British Telecom, it says, could move forward with a way to separate part of its investment programme so that it could be financed privately, without government guarantee, all would be well. But the crudities of the Post Office accounts do not allow it to be done.

This statement is a good example of the defeatism which has got us in a mess. It begins by asserting that it is impossible for British Telecom to separate part of its investment programme so that it could be financed privately, without government guarantee. Unless some way is found to prove that the loan is not guaranteed, so the argument goes, people will assume that it is.

More fool them. The Government should announce that nationalized industry borrowings are only guaranteed when the Government says that they are.

The guarantee issue preoccupies the Treasury, but it is irrelevant to the reason why the Government wants to limit the PSBR as part of its economic programme. This is simply to hold down all kinds of borrowing as part of monetary restraint. Whether the borrowing is done under government guarantee, as part of the PSBR, or outside that guarantee by a private company is irrelevant. The difference is cosmetic.

What we are faced with is the issue of technical difficulties to make what is really a political decision. One of the few things about which the Treasury agrees with ministers is a dislike of nationalized industries. Because of this is can neither borrow nor sell shares, it takes responsibility for running them properly.

The users of telephones and trains and the industries which supply them get caught in the crossfire.

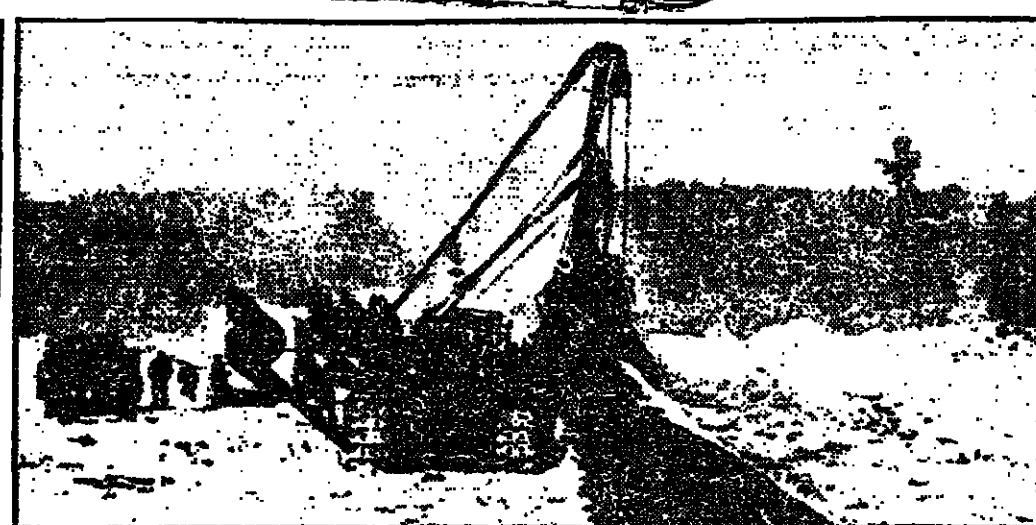
The saddest thing of all is that it makes no real difference whether or not money is borrowed by, for example, British Aerospace when it is part of the public sector or after it is privatized. It is purely a convention of public accounting. Because of those conventions and the borrowing levels they seem to produce something like 300,000 jobs have been destroyed in the Budget.

David Blake

FORECASTS AND REALITY IN THE PSBR

| | Post Budget forecast | £m | Out-turn | Reflation (+) or deflation (-) |
|---------|----------------------|----|----------|--------------------------------|
| 1974-75 | 2,733 | | 7,947 | - 714 |
| 1975-76 | 9,055 | | 10,582 | - 1,201 |
| 1976-77 | 11,962 | | 8,520 | + 675 |
| 1977-78 | 8,471 | | 5,594 | + 1,058 |
| 1978-79 | 8,537 | | 9,199 | + 1,980 |
| 1979-80 | 9,805 | | 9,915 | - 2,981 |
| 1980-81 | 8,534 | | 13,500 | - 812 |
| 1981-82 | 10,556 | | ? | - 3,293 |

No allowance is made for policy changes throughout the year.



Laying a Russian gas pipeline: it is planned to switch from oil to gas as the country's main energy export. Oil output is levelling off.

Moscow steels itself for an energy crisis

Moscow Writing in the monthly ideological journal *Kommunist* recently, Professor Anatoly Alexandrov, president of the Soviet Academy of Sciences, poured scorn on foreign forecasts—especially those made in 1977 by the Central Intelligence Agency—that Soviet oil production would soon reach its peak and start to decline.

Without giving specific figures, he said that the Russians had enough oil for their own needs and for "useful" exports; reports that they would soon be forced to import crude oil were intended to cast doubt on the stability of the Soviet economy, he said.

But whatever the reserves, which are a closely guarded state secret, there is no doubt that the Russians are alarmed at the rate at which they have been using up their easily exploitable oil supplies; and though not dependent on erratic overseas suppliers, as the West is, the Soviet Union has at last been forced to launch a comprehensive energy-saving programme.

Pegged

President Brezhnev said at the recent party congress that saving fuel was now a top priority and over the next five years the output of gas and coal had to be rapidly increased to replace oil. Mr Nikolai Tikhonov, the prime minister, called for a total saving of some 165 million tonnes of fuel and announced that tight restrictions and quotas would now be imposed on all sectors of Soviet industry.

The Russians have already served notice on their East European allies that they are reaching the limits of their capacity to supply them with energy. Moscow said last June that oil exports to Comecon, the Soviet trading block, would remain pegged at last year's level of 80 million tonnes. By 1990 the East Europeans will get only half their energy supplies from the Russians, compared with three quarters six years ago.

Meanwhile, Soviet oil exports to the West are being steadily reduced, as the world price rises. This year the volume will be cut by up to 30 per cent, in line with the Kremlin policy of selling only enough to bring in

the hard currency needed for imports.

Last year Soviet oil output reached a record 603 million tonnes, representing a total rise of 70 per cent during the 1970s. The target was less than planned, but in the coming five years output is due to go up only by 1 per cent a year, to reach between 620 and 645 million in 1985.

Oil is the most important Soviet hard currency earner and a large-scale cutback would have serious consequences for the hard-pressed Soviet economy. So instead, the Russians plan to substitute gas for oil as their main export.

Priority has been given to developing the huge Urengoi field in Siberia and ambitious plans are now being drawn up for a huge pipeline to deliver 40,000 million cubic metres of gas a year to western Europe from the Yamal Peninsula in the far north of the rich Tyumen oil and gas region in western Siberia.

The Russians still have vast oil reserves, but these are locked beneath the permafrost of Siberia and are enormously expensive to develop. Meanwhile, the older established fields in European Russia and around the Caspian Sea are rapidly running dry.

The Tyumen field, which now accounts for more than half of Soviet oil output, has been exploited so rapidly, using high pressure water pumping, that experts say that many areas are now flooded. Big deposits still lie beneath the ground, however, although experts have dismissed a report last year by a Swedish research firm that these amount to 609,000 million tonnes, thus doubling the world's known recoverable reserves.

Oil accounts for half the Soviet Union's energy needs and the new energy policy is based on reducing this proportion as far as possible. One important approach is conservation, something the Russians have never taken very seriously before.

This is now to change. Fuel savings will be made in the electric power industry by installing bigger generators and improving transmission lines and in steel and chemicals by improved techniques and new energy-efficient machinery.

New standards are to be introduced for the insulation of buildings; and thermostat con-

trols, virtually unknown at present, are to be fitted to central heating systems in ordinary flats.

The switch to other fuels for heating and electricity generation is also to be speeded up. Nuclear energy, to which the Russians are firmly committed, will account for nearly all the new generating capacity in European Russia until the end of the century.

Nuclear power stations will even be sited close to towns and used for district heating schemes, thus saving about eight million tonnes of fuel equivalent.

Coal production last year, totalling 716 million tonnes, is to rise to almost 800 million by 1985. The Russians have enormous coal reserves, though traditional mining areas are almost depleted.

But by far the largest saving is to come from the oil and gas industries themselves. In 1980 some 13,500 million cubic metres of associated gas in the oilfields, out of a total of 47,000 million, went to waste. The aim during the present decade will be to pipe off at least 30 per cent of the associated gas, leaving only 10 per cent to be flared off.

Investment

New advanced recovery methods in the oilfields will also permit the extraction of an extra 40-50 million tonnes and, in the long term, twice this figure.

Energy conservation, it is ambitiously hoped, will save 165 million tonnes of fuel equivalent. But the Russians will meanwhile be investing heavily in new mines and hydroelectric stations and in the related technology.

Soviet spokesmen have constantly disputed the pessimistic forecasts of the CIA, but do not dispute one overall conclusion: that the Soviet Union will soon face an energy crisis as critical as that now afflicting the West. What they do dispute is that this will significantly slow down the Soviet economy; and they refuse to allow political conclusions to be drawn—that the Russians will attempt to secure oil supplies from the Middle East or have to carry out wholesale changes in their economic policies.

Michael Binyon

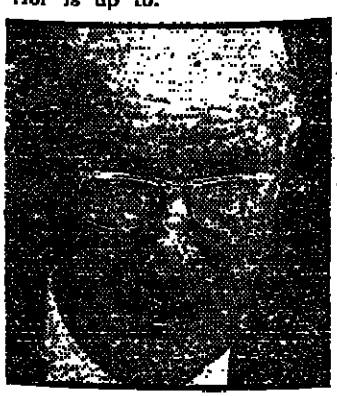
Business Diary: Enter Scanlon • Cricket, lovelies' cricket

Lord Scanlon, who retired from the presidency of the Amalgamated Union of Engineering Workers two years ago, is back in harness. He has taken on the post of chief executive of the Engineering Industry Training Board until a successor can be found to Joseph Moon.

Moon is to retire immediately at the age of 55 because of ill health. Even if a successor is never found, Lord Scanlon, who is 67, may not have to prepare for a very long spell with the ETB for the fate of this board, along with the other 23 similar ones, is in the balance.

The Employment and Training Bill, which enters its committee stage in the Commons this week, will enable James Prior, Secretary of State for Employment, to wind up the board. Prior has already indicated that he wants few, if any, to remain—and those only in key sectors.

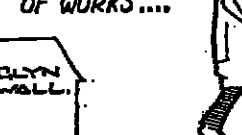
Lord Scanlon, along with the three million or so engineering employees who come under the board, is asked to hear what Prior is up to.



Lord Scanlon.

Wallchart

ACCORDING TO THE CLERK OF WORKS....



● Rachel Heyhoe Flint, champion of women's cricket, is searching for a sponsor for the proposed visit to England in 1982 of the New Zealand women's test team.

Mrs Flint is vice-chairman of the Women's Cricket Association and she needs about £35,000 to finance test matches and one-day internationals against the Kiwi ladies.

A famous cricketing name, with an average test match score of 86.5 and an 11-year term as captain of England, Mrs Flint says none the less that female cricketers are regarded with scepticism by cricket's aficionados.

She is hoping to be among the England players to take part in the New Zealand tour in January next year (before the return visit in the summer), but adds that the visit will cost each player about £500, which is a rather different situation than that facing England's men test cricketers.

The problem is made worse, she says, because girls' schools exclude cricket from the sporting curriculum. And, while there are thousands of cricket

OUR NEW HEAD

OFFICE IS WELL UNDER WAY



clubs in England, only one—her own Wolverhampton association—has a women's section. But an undaunted Mrs Flint is confident that the money for next year will be forthcoming. She has recently formed Heyhoe-Flint Promotions, chiefly to



Rachel Heyhoe Flint.

further the cause, but also to offer her public relations services to commerce and industry. Having raised £100,000 for women's cricket in 10 years, Mrs Flint is well qualified to convince any emancipated male benefactor that the sport is worth backing out.

THE BUILDERS ARE

ALREADY CARRYING OUT RECTIFICATIONS...



● How the European Commission expends its energies became clear when it was agreed that nine members of the energy bureau of the EEC's Economic and Social Committee should meet the Commissioner, Etienne Davignon—sometimes known as "Little Stewie Wonder".

The first meeting was arranged, then cancelled. Telegrams were then sent out summoning the nine to Brussels for Thursday, March 5. Flights and hotels were booked. Then came a second telegram, cancelling the arrangements again.

A third telegram summoned the meeting for March 10. No sooner had travel arrangements and hotel bookings been made—with difficulty, because there was an air traffic controllers' strike in the United Kingdom than a fourth telegram cancelled the meeting for the third time.

Commissioner Davignon is a public servant. Chasing to and fro trying to meet him in the hope of stopping the Commission committing some further monumental folly is evidently only for the dedicated and truly energetic.

● The Prime Minister's scorn, so liberally poured over the Cabinet "wets" in the wake of the Budget, is still spreading.

I hear that Mrs Thatcher is not amused at the activities of the recent workaholic Ian MacGregor. He, who will remember, was brought in by the Government last spring to chair the British Steel Corporation and to turn round this dinosaur with his American business skills.

The controversy was occasioned by the unprecedented soccer-style transfer deal that MacGregor's employers, the American investment bankers, Lazard Freres, managed to squeeze out of Industry Secretary, Sir Keith Joseph. Like other chairmen of the BSC before him, MacGregor has dusted off the begging bowl and, in spite of Sir Keith's oft-repeated monetarist philosophy, has found the Industry Secretary and the Government rather more indulgent than they would wish to seem.

The acrimony ignores MacGregor's forcing through of closures and redundancies to return BSC to the promised land of profit.

Could it be, therefore, that it is influenced by the fact that MacGregor's personal assistant David Prior, son of Jim, the Secretary of State for Employment, was the wettest of the "wets"?

The director of professional and welfare services for the Merchant Navy and Airline Officers' Association is—who else?—Derek Seaman.

Ross Davies

SKF

Rights issue offer

At the Extraordinary General Meeting of Aktiebolaget SKF held on 16 March, 1981, a resolution was passed that the Company's present share capital of 900,000,000 Swedish kronor—alotted into 18,000,000 shares each of a nominal value of 50 Swedish kronor and registered as fully paid up—will be increased by 180,000,000 kronor to 1,080,000,000 kronor by a rights issue of 3,600,000 Series C shares.

Terms of issue

- Issue price of the new shares will be 75 kronor per share.
- The new shares will carry the right to any dividend payable for the financial year ending 31 December, 1981.
- Company shareholders will have priority right to subscribe for one new share for every five old shares. Shareholders who, under the reservation in §7 of the Articles are not allowed to acquire "non-free" shares (i.e. shares which are restricted to Swedish citizens) will be entitled to subscribe for new unrestricted shares. Other shareholders are only entitled to subscribe for new "non-free" shares.
- Allotment of shares subscribed for without priority right will be decided by the Board.
- Subscription lists will be open from 29 April to 12 June, 1981.
- Payment for the subscribed shares is to be effected in cash at one and the same time and not later than 30 June, 1981.
- Stamp duty for the new shares will be paid by the Company.
- April 9, 1981, is set as reconciliation date for controlling the shareholders' register to establish who is entitled to subscribe for the new shares.

The Articles of Association contain a reservation clause pursuant to Section 17, §1, of the Swedish Companies Act. Additionally, the reservation regarding Series C shares referred to in the final paragraph of Section 3, §1, of the Act will be inserted in the Articles of Association.

Aktiebolaget SKF, S-415 50 Göteborg, Sweden.

FINANCIAL NEWS

Stock markets

GKN results boost engineering sector

After a nervous start equities staged a strong rally yesterday following better than expected trading news from GKN.

Business had been quiet at first in the wake of the overnight setback on Wall Street and the gloomy trading prospects by ICI at a seminar on Tuesday evening. Investors also displayed a cautious attitude ahead of GKN's annual figures, due out around lunchtime.

In the event, the actual trading losses were considerably less than expected and were sweetened by the payment of a final dividend of 5.7p gross. The shares immediately leapt to 151p before closing at 138p, a net rise on the day of 7p.

This was the signal for a pickup in demand with institutional support giving a lift to many of the neglected engineering issues. Selective buying of the second-line issues also resumed and sentiment was further improved by the latest state of takeover news.

The FT Index, which opened the day 2.2 down before recovering to be 5.9 higher at 2 pm, eventually closed 3.5 better at 491.1 as a little profit-taking developed after hours.

Business in Government securities was concentrated at the long end, but turnover was described as disappointing with the latest round of US prime rates cuts generally discounted. Prices in long closed mostly at the top with rises of 8p, while at the shorter end the gains were restricted to 1/16.

In spite of the rally, leading industrialists spent a neglected session with a mixed appearance at the close. Further takeover speculation added 4p to Turner & Newall at 83p while Fisons continued to make ground with 5p rise at 148p. However, ICI fell 23p, following the investment analysts' meeting, before recovering 4p to 234p, a net fall on the day of 2p. Other falls were seen in Lucas Industries 4p to 171p and Glaxo 2p to 276p.

The better figures than expected from GKN caused a flurry of excitement among engineering issues with Tube Investments jumping 6p in sympathy at 188p followed by Metal Box 4p to 174p and Dowty 8p to 267p. Thomas Tilling retreated 1p to 162p, following figures, and Bestobell, reporting next month, leapt 18p to 358p.

Shares of Hawker Marris were suspended at 65p pending an announcement.

On the bid scene, shares of Warner Holidays returned from suspension accompanied by terms of a bid from Grand Metropolitan. The ordinary shares leapt 63p to 127p and the 'A' closed 48p higher at 102p. Grand Metropolitan ended the day 3p dearer at 177p.

Savoy Hotels 'A' rose 1p to 167p awaiting the next move in the battle for control with Trusthouse Forte, 1p heavier at 203p. Meanwhile, Tunnel Holdings 'B', still fighting off the advances of TW Ward, held steady at 386p. Ward advanced 1p to 125p.

In banks, profit taking and diminishing hopes of a counter

bid wiped 6p from the Royal Bank of Scotland at 130p, while Standard & Chartered recovered some of its poise 3p higher at 647p. Lloyds & Scottish eased 1p to 197p on profit taking, but Lloyds Bank rose by a similar amount to 316p. Takeover favourite Grindlays held steady at 176p and speculative attention hoisted R. P. Martin 14p to 160p and Provident Financial 3p to 150p.

Shares of Davies & Newman Holdings lost height yesterday after touching new 13-month peaks for three days. The group which owns Dan-Air is an old takeover favourite. A company spokesman said: "I am not empowered to comment and the chairman is in a meeting. No one else is available." The price, which touched 178p yesterday, closed at 170p.

Cheaper money and the prospect of new monetary control saw a good performance among discount houses, with Gillett Bros 13p up at 262p and Union Discount steady at 513p in the wake of its annual meeting. But the big four clearers

again found little support. Midland, reporting tomorrow, held steady at 308p as did Barclays at 388p, while National Westminster lost 2p at 356p.

The recent batch of good figures drew more attention to builders where speculative attention lifted Marchwood 8p to 104p and Fairview the same amount at 130p. A bid failed to stop Travis & Arnold 13p better at 170p and recent encouraging remarks added another 18p to Derek Crouch at 203p. Newarthill was also wanted 12p dearer at 425p, with good figures lifting Cement Roadstone 3p to 80p. Still reflecting recent figures, Barratt Developments rose 4p at 230p and Fairclough Construction 2p to 99p.

Among second line issues to come under close scrutiny, Alexander Russell (Glasgow) advanced 8p to 185p, Sirdar 12p to 152p and MDW Holdings 9p to 95p. But threatened problems with its Fairs subsidiary wiped 8p from S. Pearson at 197p, while adverse comment knocked Barr & Wallace Arnold 'A' 4p to 96p and falling orders hit Flaxtons (Scarborough) 7p at 141p.

Among companies reporting, BSR rose 1p to 35p in spite of heavy losses and no dividend but disappointing trading news left Lawtex 4p off at 52p, Jones & Shipman 2p at 60p and J. N. Nichols (Vimto) 5p at 203p. Improved performances led to a 3p rise in DRG to 86p, a 4p rise to 65p in J. Hewitt and a 7p rise in Hugh Mackay to 38p. Howard Machinery on 31p, James Walker Goldsmiths on 85p and Banro Consolidated on 53p all held steady after figures.

In foods, Jamesons Chocolates rose 5p to 46p, and figures, but disappointing profits news and subsequent disposal wiped 5p from Bejam at 115p. Linford added 1p at 126p and Bernard Matthews rose another 10p to 395p in a thin market.

Institutional buying in a thin market saw shares recover from the overnight setback on Wall St. Shell rose 2p to 398p, Lasmo 3p to 612p and Burmah 2p to 175p. Tricentrol, expecting figures tomorrow, was unchanged at 288p as were BP on 392p and Ultramar on 435p.

Properties came in for demand with prices exaggerated by the thin conditions. Land Securities rose 14p to 414p, MEPC 8p to 238p, Haslemere 12p to 406p, Port Portland 10p to 246p and Hammerston 'A' 20p to 630p.

Prospects of another round of falls in United States prime rates saw renewed demand for gold with shares closing sharply higher. Anglo American ended 1/2 3/16 up at 542.

Early indicators on March 17, saw £145.572m (21,340 bargains). Active shares yesterday, according to the Exchange Telegraph, were, GKN, Travis & Arnold, Warner, Halls, BTR, Thomas Tilling and Bestobell. The total dividend for 1980 is therefore maintained at £1.7p gross. Profits in 1979 were £35.0m pre-tax.

Heavy redundancy costs in the first half were met out of revenue. The company has no debt. Cash balances at the end

Warners backs £10m bid by Grand Metropolitan

By Philip Robinson
Hotels to brewing giant Grand Metropolitan, yesterday announced a £10m cash or shares bid for Britain's last independent holiday camp operator, Warner Holidays. Last year it missed buying Fontinas when its bid for Coral was beaten by Bass.

The Warner deal was put together in five days and is recommended by Warner directors. They and certain other shareholders, thought to include Butlin family trusts—have promised to accept the offer, which would put an end to the 44.43 per cent of the total votes. Grand Met is offering three of its own shares, or 468p cash, for every four Warner ordinary shares, and three of its own shares, or 465p cash, for every five "A" ordinary shares.

At last night's Grand Met closing price, up 3p at 177p, the ordinary share offer values the Warner ordinary at 132.75p, against a suspension price of 64.1p and a cash alternative of 117p.

The share offer values the Warner ordinary at 106p against a suspension price of 55p and a cash alternative of 53p.

When the Warner shares were suspended last Friday, there was speculation that Whitbread was the likely bidder.

Mr Alan Warner, the managing director, said last night: "Over the years I have had lunch with Whitbread, Guinness and Watney's (part of Grand Met) and you always talk about things. Grand Met was the only one to put an offer on the table which the directors felt they could recommend."

Warner's year ends on January 31 and an attempt will be made to include the figures in the formal offer document from Grand Met. At the halfway stage the group lost £104,000. For the whole of 1979 they made a £1.1m profit. A revaluation of properties is likely to show a net asset value of 125p a share against 80.7p last year.

Mr I. Ross Gibbons, chief executive of Grand Met Leisure division, which includes Mecca group, said: "There is a gap in the Grand Met and we have covered it taking over Warners. It interests which are compatible with those which we already have."

In a statement Grand Met says it considers Warner holiday centres to represent attractive opportunities to expand into a growing sector of the holiday and leisure business.

Last year Warner's 18 holiday centres—which include United Kingdom holiday camps and holiday apartments at hotels in Majorca and Ibiza—managed to attract 125,000 holidaymakers. At the height of the season the group employs around 1,800. Last year's was the first since they began. The group was founded by Mr Harry Warner on May 1931 and went public in 1965. This year would have been their Golden anniversary.

Hugh Mackay restores interim after tax credit

A programme of cost-cutting and rationalization paid off in Durham carpet company Hugh Mackay's second half last year.

After a first-half loss of £36,000, the group cut its losses to just £14,000 pre-tax by the December 31 year end, and thanks to a £250,000 write-back of deferred taxation, it was able not only to pay a final dividend but to reinstate the interim payment omitted at the halfway stage. The total dividend for 1980 is therefore maintained at £1.7p gross. Profits in 1979 were £35.0m pre-tax.

Unchanged dividend as Banro dips

By Our Financial Staff
Pretax profits at Banro Consolidated Industries, the W. Wall engineer, dipped to £1.16m to £901,000 in 1980, turnover up from £15.8m to £19.9m. The final dividend, 3.46p gross to produce an unchanged total for the year 4.3p.

Mr Edward Rose, the chairman, said that, as expected, there had been a downturn in activity in the second half though the group did stay profitable.

This pattern has continued into this year and it looks, though profitability will be lower than last year, that new product lines should ensure an improvement in the second half.

The move into new products has included the purchase of technical aid licence to mal and market Lignotek, a wax and resin based product. Initial response has been good and it is expected that the product on trial figures should be seen towards the end of this year.

Meanwhile, there have been further big orders for metal bumpers and rolled security, both due for production in the latter half of 1981.

Mr Rose was confident about the future and said that if finances of the group remain sound.

The shares were unchanged yesterday at 53p. They yield 8 per cent with a p/e ratio based on stated earnings of 15.2 against 17.2p last time of 3.5.

Latest results

| Company | Sales | Profits | Earnings | Div | Pay | Year's |
|---------------------|--------------|--------------|-------------|------------|-----------|----------|
| £m | £m | £m | per share | per share | date | rate |
| BSR (F) | 141.3(156.2) | 17.66(13.55) | 14.69(13.3) | 2.42(2.42) | — | (2.83) |
| Banco (F) | 19.9(15.8) | 0.9(1.2) | 15.2(17.2) | 2.42(2.42) | — | (3.3) |
| Belton (F) | 97.7(79.9) | 4.5(4.1) | 5.7(5.3) | 1.25(1.01) | — | (2.25) |
| Brooke Bond (F) | 326(343) | 15.3(24.2) | — | 1.7 | 1.25(3.9) | — |
| Dickinson's (F) | 520(466) | 18.0(27.7) | 9.6(20.8) | 3.0(5.5) | 6/7 | 6.0(8.5) |
| GKN (F) | 1,923(1,961) | 1.2(1.26) | — | 4(13.5) | 9/5 | 8(19.4) |
| J. Hewitt (F) | 4.9(3.8) | 0.6(1.38) | 19.2(14.2) | 1.8(1.5) | 12/5 | 1.8(1.5) |
| Howard Mach (F) | 2.6(2.68) | 2.9(1.32) | 7.4(3.1) | 3.0(3.0) | 1/7 | 6.0(8.5) |
| John I. Jacobs (F) | 1.4(1.7) | 1.33(1.33) | 4.52(2.84) | 1.6(—) | 19/5 | 2.8(2.1) |
| Jamesons (F) | 6.3(6.6) | 0.39(0.3) | 16.5(12.7) | 3.0(3.0) | 4/10 | 4.0(4.0) |
| A. A. Jones & S (F) | 22.1(18.8) | 2.15(2.5) | 11.6(11.5) | 2.6(—) | 14/5 | 3.6(2.5) |
| Smith Mackay (F) | 8.56(9.56) | 0.11(0.32) | 2.74(3.34) | 3.6(3.6) | 14/5 | 3.6(3.6) |
| Nelson David (F) | 4.4(4.9) | 0.11(0.32) | 1.97(1.48) | — | — | — |
| J. N. Nichols (F) | 14.8(10.1) | 1.89(1.8) | 20.8(23.0) | 4(—) | — | — |
| Thos Tilling (F) | 6.97(1.416) | 2.91(1.32) | 21.5(29.4) | 4(0.4) | 1/7 | 7.5(7.0) |
| Tilley Lamp (F) | 2.54(2.05) | 0.24(0.05) | 0.67(1.3) | 1.0(1.0) | 1/5 | — |
| W. Walker (F) | 11.5(10.3) | 0.67(1.3) | 1.58(3.14) | 1.0(1.0) | 1/5 | — |

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.428. Profits are shown pretax and earnings are net. *Loss. †Net. ‡Nine months (year). §15 months (year).

Lawsuit threat in bid for Amax

By Our Financial Staff
Despite speculation that the rejection by Amax of the \$4,000m offer for the company from Standard Oil of California may mean the bid has failed, a Californian shareholder in Amax is threatening to sue the giant American natural resources company for not accepting the offer.

Mr Richard Rosenblatt, who holds about 2,300 Amax common shares and options for 6,000 more, said that he had instructed a New York lawyer to file a lawsuit against Amax if the company persists in rejecting the offer, worth up to \$86 an Amax share.

"If the Amax directors are holding out for a higher offer, I think the stockholders would be delighted, but I think the offer was so generous it's hard to assume that anyone would even ask for \$5 more," Mr Rosenblatt was quoted as saying.

This possible action is only one of a number of law suits which have descended on those companies involved in the recent round of massive offers for American mining companies.

Options traders are alleging that they lost large sums because insiders at Kennecott, for which Sohio has bid \$1,800,

and at Amax bought options illegally before the deals were announced.

A Chicago judge granted an injunction to three options traders in that city to freeze profits made by Bear Stearns & Co., a leading Wall Street brokerage firm, from recent trading in Kennecott shares.

Another Chicago trading firm, O'Connor & Associates, has alleged that 11 brokers from Dean Witter Reynolds, another prominent Wall Street firm, and three from A. C. Becker, "aided and abetted" insiders in the purchase of Amax options.

Briefly

Jameson Sugar Estates: Formal document regarding offer on behalf of Mr Nicholas De Savary for Jameson Sugar Estates has been issued.

Jameson's Chocolates: Turnover for 1980, £5.3m (£5.66m). Net profit, £21,000 (£30,000) after tax. EPS 16.5p (12.7p). Dividend held at 5.7p gross.

John I. Jacobs: Turnover for 1980, £1.4m (£1.77m). Pretax profit, £2.15m (£2.5m). Total dividend, 5.14p gross (against 5p, adjusted for scrip issue).

J. N. Nichols (Vimto): Turnover for nine months to December 31, 1980, £14.4m (£10.12m for preceding 12 months). Pretax profit, £1.84m (£1.8m). Total dividend, 10p gross, against 10p (adjusted) for previous year.

Millford Docks: An Extraordinary General Meeting of shareholders in the Millford Docks Company approved a Bill which would enable the company to expand its activities. In essence, the Bill will enable the company to construct, work, acquire land and extend and alter the limits of the docks. The Bill also authorizes the raising of additional capital which, should the company so decide, would enable it to diversify into other related activities.

John I. Jacobs: Turnover for 1980, £1.4m (£1.77m). Pretax profit, £2.15m (£2.5m). Total dividend, 4p gross (3p).

Our report on Tuesday this week with results from Relyon, the bed and bedding maker, should have read that the total dividend for the year has been maintained at 8.5p a share, the gross after adjusting for a scrip issue, and not, as stated incorrectly, reduced to 6.85p for the year.

Payout almost halved at Dickinson Robinson

Dickinson Robinson Group, the packaging and paper company, which is based in Basildon, Essex, has nearly halved its final dividend because of the collapse in United Kingdom profits in the second half of 1980 and the fear that 1981 may not be much better.

The United Kingdom operations only broke even after a year of losses. In the second half against profits of about £10m in the comparable period. In spite of the improved performance overseas, this left group profits for 1980 down from £27.7m to £18m. Dickinson is paying a final dividend of 4.25p gross which leaves the total down by 29 per cent to 8.57p.

External sales rose from £466m to £520m but there were sizeable volume reductions in areas of the home market. Mr John Camm, chairman, said that the small drop in consumer demand was compounded by massive destocking throughout the manufacturing and distribution chain. Volume in the United Kingdom was down about 15 per cent since last May, but in paper and board and industrial packaging the drop was about 30 per cent.

The break-down of trading profits—before interest charges—up from £7.8m to £10.1m showed overseas profits up by half to £15.9m, including a strong performance from South Africa where profits rose from £4.9m to £7.7m.

United Kingdom trading profits more than halved from £23.9m to £11.7m and Dickinson has been reducing working force to cut overheads. In 18 months to next July, 4,000 employees, or a quarter of the workforce, will be made redundant and there will be about

1,000 more job losses after that. The cost of reorganization, £20.8m, of which £15.5m is cash—will be partly offset by

property sales. After tax relief and a revaluation surplus on these properties, there was an £8m extraordinary item in 1980.

After paying dividends, Dickinson has a £5m deficit to reserves which increases to £19.4m under current cost accounting.

In spite of capital spending of £25m and £10m spent on acquisitions, Dickinson had only a marginal cash outflow in 1980, mainly because of the £27.5m saving from reducing working capital. Net borrowings at the year-end were 36 per cent of capital employed.

Dickinson says there is no sign of an improvement of demand although orders for the first two months were running ahead of sales. But Mr Camm said it would be inadvisable to forecast results for 1981.

Lawtex optimistic despite loss

Lawtex, the Manchester-based umbrella and clothing manufacturer, has turned in a pre-tax loss at the halfway stage although the second half is likely to show a modest improvement.

Losses amounted to £172,000 compared with pretax profit of £253,000, while turnover dipped 15 per cent from £8.6m to £7.3m in the six months to December 27, 1980.

The interim dividend has been reduced from 2.67p gross to 1.43p, and the board stresses that the final will be considered in the light of the next six months progress. Last year Lawtex paid 3p final dividend.

The board attributes the lower sales and depressed margins to the recession and destocking. "Although the adverse trend has continued into the start of the second half, indications of some measure of recovery are in prospect," they said. Last year Lawtex made pretax profits of £476,000 on turnover of £16.6m.

Interest charges in the first half remained steady at £173,000, and a profit of £216,000 was realized in January after the disposal of surplus land in the Irish Republic where the group has three factories.

Bank Base Rates

| Bank | Rate |
|---------------------|------|
| ABN Bank | 12% |
| Barclays | 12% |
| BCCI | 12% |
| Consolidated Crds | 14% |
| C. Hoare & Co | 12% |
| Lloyds Bank | 12% |
| Midland Bank | 12% |
| Nat Westminster | 12% |
| TSB | 12% |
| Williams and Glyn's | 12% |

* 7 day deposit on sums of £10,000 and under, 9% per annum. † 14 day deposit on sums of £50,000 and over, 10% per annum.

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane, London EC3R 8EB Telephone 01-621 1212

The Over-the-Counter Market

| 1980/81 High | Low | Company | Price | Chg | Div | Yld | P/E |
|--------------|-----|--------------------|-------|-----|------|------|------|
| 75 | 39 | Airspang Group | 64 | — | 6.7 | 10.5 | 5.8 |
| 50 | 21 | Armstrong & Rhodes | 50 | — | 1.4 | 2.8 | 20.6 |
| 192 | 92 | Bardon Hill | 189 | — | 9.7 | 5.1 | 7.1 |
| 98 | 88 | Deborah Services | 94 | — | 5.5 | 5.9 | 4.7 |
| 126 | 88 | Frank Horsefield | 107 | — | 6.4 | 6.0 | 3.4 |
| 110 | 39 | Frederick Parker | 42 | — | 1.7 | 4.0 | 18.3 |
| 110 | 74 | George Blair | 74 | — | 3.1 | 4.2 | 1.1 |
| 110 | 59 | Jackson Group | 107 | — | 6.9 | 6.4 | 9.6 |
| 124 | 103 | James Burroughs | 117 | — | 7.9 | 6.8 | 9.6 |
| 334 | 244 | Robert Jenkins | 324 | — | 31.3 | 9.7 | — |
| 55 | 50 | Scruttons 'A' | 51 | — | 5.3 | 10.4 | 3.7 |
| 224 | 215 | Torday Limited | 215 | — | 15.1 | 7.0 | 3.7 |
| 23 | 10 | Twinklford Ord | 10 | — | — | — | — |
| 90 | 69 | Twinklford 15% ULS | 72 | — | 15.0 | 20.8 | — |
| 56 | 35 | Unilock Holdings | 47 | — | 3.0 | 6.4 | 7.2 |
| 103 | 81 | Walker Alexander | 99 | — | 5.7 | 5.8 | 4.5 |
| 263 | 181 | W. S. Yeates | 261 | — | 12.1 | 4.6 | 4.3 |

F. Pratt Engineering Corporation Limited

THE 84TH ANNUAL GENERAL MEETING WAS HELD ON 19TH MARCH, THE FOLLOWING POINTS WERE HIGHLIGHTED BY THE CHAIRMAN, MR. W. G. FRIGGENSE.

TRADING RESULTS: The Group improved its overall profitability in 1980 in spite of a higher cost of borrowings. However profitability from the engineering companies was lower in the second half of the year.

DIVIDEND: A final of 3.8p per share will be paid to make the total in the year 8p, the same as in the previous year.

OUTLOOK: The order book has fallen further since October, 1980, but the recession appears to be levelling out. The results for the first six months of the current year will reflect this situation. However, the sale of Hamblin & Wingate (Holdings) Ltd., and action that has been taken to reduce overheads within the Group should have a marked effect on the cost of borrowings and, hence, profitability in the second half of the year. Increased financial resources now available to the Group place it in an excellent position to take full advantage of any improvement in trading conditions.

Y. J. LOVELL (HOLDINGS) LIMITED

MAIN GROUP ACTIVITIES: Building, Residential and Commercial Developments, Plant Hire, Timber Importers and Merchants

A Sound Base for Continuing Growth

SUMMARISED RESULTS

| | 1980 | 1979 |
|--|---------|---------|
| Group Turnover | £500 | £500 |
| Profit before Taxation | 138.970 | 105.008 |
| Profit after Taxation | 2,876 | 2,615 |
| Profit attributable to Shareholders | 2,675 | 2,565 |
| Ordinary Dividends 70p per share (1979: 6.75p) | 2,675 | 2,235 |
| Earnings per Ordinary Share | 38.7p | 37.1p |

Extract from Statement by Chairman, Sir Peter Trench

"... the greater emphasis we have been placing on industrial and commercial development on our own account, helped to produce once again an increase in pre-tax profit for the year as a whole."

"... a positive attitude has been maintained towards our most important resource, that of people, and our personnel, training, management development and safety standards have not been allowed to drop."

"I am not predicting records for 1981, neither am I predicting an unsatisfactory year for our shareholders. Of one thing I am confident: our management team, to whom I offer sincere thanks for their efforts last year, is as strong as it has ever been. Their morale is high and they will continue to give of their best in 1981."

Lovell

FINANCIAL NEWS

Growth at Cement Roadstone is slower

By Our Financial Staff

Growth at Cement Roadstone is slowing down, but Ireland's leading building materials group has still managed to record its tenth successive year of profits improvement in 1980.

After a 22 per cent first-half gain, pretax profits last year rose marginally from £124.1m to £125.2m compared with the one-third gain the previous year. But margins have come under pressure, with turnover up by 17 per cent to £1.331m.

The weakest part of the operations was the Irish end, where recession in the construction industry led to a 12 per cent reduction in cement volumes, although the bulk of this was taken by imports. But the group's increasing overseas thrust seems to be paying off with the United Kingdom subsidiaries, Forticrete and Henderson, doing better and sharply higher profits from Van Neebors in the Netherlands.

In the United States, Cement Roadstone has benefited from the location of its main subsidiaries in the thriving energy-rich mountain states.

With strong dividend cover, the group has increased the gross dividend by more than 15 per cent to 7.61p a share where the cover is still 2.73 times on historical earnings though only 1.1 times on current cost figures. The high depreciation charge cuts current cost pretax profits to only £9.7m.

The United Kingdom shares gained 3 1/2p to 80p where they sell on a fully paid price-earnings ratio of 12 and yield 8 1/2 per cent, while net assets came out at 165p a share. Cement Roadstone is now involved in a £125m three-year expansion programme to its Limerick cement plant. This will give the group a strong home base when the upturn comes. The outlook overseas continues to be promising, and a further rise in profits is promised for the current year.

No hint on Grindlays' future

By Our Financial Staff

Mr Nigel Robson, chairman of Grindlays Bank and of Grindlays Holdings, the quoted company which owns 51 per cent of the bank, gives no hint of the future of the group's tangled shareholdings in his annual report. While Lloyds Bank owns 42 per cent of Grindlays Holdings, Citibank, the American group, owns 49 per cent of the bank and there have been persistent rumours that this unwieldy ownership was about to be unwound.

But in his report Mr Robson, while acknowledging the rumours, said he did not intend to comment on them. He said: "If there should ever be any material facts in this connection that your board feels should be drawn to your attention, this will obviously be done."

The rumours which started last summer suggested different outcomes for the group. One was that Lloyds Bank would buy out the Citibank stake in Grindlays Bank and would bid for the rest of the group; another rumour, before the present takeover of the Royal Bank of Scotland, was that Lloyds would sell its 16 per cent stake in the Royal Bank to Citibank and that Grindlays would then be taken over by Lloyds, while Citibank would make a full scale bid for the Royal Bank of Scotland.

Mr Robson expects that the next two years will be difficult for the world economy. He says: "With the group's involvement in Euro-currency lending, Grindlays Bank is interested in effective solutions being found to the problems of recycling the currency surpluses of the main oil-producing countries and of assisting the poorer countries that are harder hit by the increased cost of imported energy."

AVERAGE EARNINGS

Index numbers for average earnings of employees in all industries and services seasonally adjusted, covered by the monthly earnings inquiry released by the Department of Employment.

| Index | Change 12 months % | Change over previous annualized % |
|-------|--------------------|-----------------------------------|
| 1980 | | |
| Jan | 104.2 | 20.2 |
| Feb | 104.0 | 18.6 |
| Mar | 103.9 | 18.3 |
| Apr | 103.8 | 18.0 |
| May | 103.7 | 17.7 |
| Jun | 103.6 | 17.4 |
| Jul | 103.5 | 17.1 |
| Aug | 103.4 | 16.8 |
| Sep | 103.3 | 16.5 |
| Oct | 103.2 | 16.2 |
| Nov | 103.1 | 15.9 |
| Dec | 103.0 | 15.6 |
| 1979 | | |
| Jan | 102.9 | 15.3 |
| Feb | 102.8 | 15.0 |
| Mar | 102.7 | 14.7 |
| Apr | 102.6 | 14.4 |
| May | 102.5 | 14.1 |
| Jun | 102.4 | 13.8 |
| Jul | 102.3 | 13.5 |
| Aug | 102.2 | 13.2 |
| Sep | 102.1 | 12.9 |
| Oct | 102.0 | 12.6 |
| Nov | 101.9 | 12.3 |
| Dec | 101.8 | 12.0 |
| 1978 | | |
| Jan | 101.7 | 11.7 |
| Feb | 101.6 | 11.4 |
| Mar | 101.5 | 11.1 |
| Apr | 101.4 | 10.8 |
| May | 101.3 | 10.5 |
| Jun | 101.2 | 10.2 |
| Jul | 101.1 | 9.9 |
| Aug | 101.0 | 9.6 |
| Sep | 100.9 | 9.3 |
| Oct | 100.8 | 9.0 |
| Nov | 100.7 | 8.7 |
| Dec | 100.6 | 8.4 |

CYCLICAL INDICATORS FOR THE UK ECONOMY

The following table is based on the CSO composite indices of the business cycle in the United Kingdom published yesterday. January 1975 = 100.

| | Longer leading (5 indicators) | Shorter leading (5 indicators) | Coincident (7 indicators) | Lagging (5 indicators) |
|------|-------------------------------|--------------------------------|---------------------------|------------------------|
| 1980 | | | | |
| Jan | 105.8 | 108.1 | 101.1 | 91.8 |
| Feb | 105.8 | 108.1 | 99.7 | 90.6 |
| Mar | 105.8 | 108.1 | 98.9 | 89.8 |
| Apr | 105.8 | 108.1 | 98.1 | 88.4 |
| May | 105.8 | 108.1 | 97.3 | 86.6 |
| Jun | 105.8 | 108.1 | 96.5 | 84.5 |
| Jul | 105.8 | 108.1 | 95.7 | 82.5 |
| Aug | 105.8 | 108.1 | 94.9 | 80.5 |
| Sep | 105.8 | 108.1 | 94.1 | 78.5 |
| Oct | 105.8 | 108.1 | 93.3 | 76.5 |
| Nov | 105.8 | 108.1 | 92.5 | 74.5 |
| Dec | 105.8 | 108.1 | 91.7 | 72.5 |
| 1979 | | | | |
| Jan | 105.8 | 108.1 | 90.9 | 70.5 |
| Feb | 105.8 | 108.1 | 90.1 | 68.5 |
| Mar | 105.8 | 108.1 | 89.3 | 66.5 |
| Apr | 105.8 | 108.1 | 88.5 | 64.5 |
| May | 105.8 | 108.1 | 87.7 | 62.5 |
| Jun | 105.8 | 108.1 | 86.9 | 60.5 |
| Jul | 105.8 | 108.1 | 86.1 | 58.5 |
| Aug | 105.8 | 108.1 | 85.3 | 56.5 |
| Sep | 105.8 | 108.1 | 84.5 | 54.5 |
| Oct | 105.8 | 108.1 | 83.7 | 52.5 |
| Nov | 105.8 | 108.1 | 82.9 | 50.5 |
| Dec | 105.8 | 108.1 | 82.1 | 48.5 |

No dividend as Howard Machinery loses £3m

By Catherine Gunn

Suffolk farm equipment group Howard Machinery yesterday turned in a £2.92m pretax loss in the year to October 31, 1980, against a pretax profit of £1.23m a year earlier. The fall is in line with board forecasts. There is no dividend, compared with 1.67p gross. The full report and accounts will be published today by the board headed by Mr Peter Coleclough.

Mr C. F. Alsop, the chief executive, said that the group aims to return to profits and dividends if it can this year, though its chances of doing so will not be clear until after the seasonal round of spring and summer sales of farm machinery. Rationalization of the group's British operations meant an extraordinary cost of £2.26m this year. This year it will be the turn of Howard Machinery's overseas manufacturing operations to be tightened up.

Interest costs last year were substantially higher; but the recently completed sale of the



Mr Peter Coleclough, chairman of Howard Machinery.

J. Mann & Son subsidiary, to the German combine manufacturer Claas has reduced group borrowings to £9.4m from £16.5m. Borrowings are still falling, Mr Alsop said yesterday.

Volume was badly hit last year by the fall in British exports. Group sales dropped

from £85.5m to £72.7m in 1979-80. Roughly one third of the group's turnover is produced in Britain, of which some two-fifths is exported. Demand in Europe would be remains, very poor, while the strong pound continues to hamper the group.

Howard Machinery's interests in the southern hemisphere are doing better than last year. It operates in Australia, South Africa and Malaysia, where at present margins are better than in Britain and Europe.

A private American company, Diamond Industries, has been adding to its stake in Howard and now owns 16.9 per cent of the shares with an option on the voting rights on a further 2m shares, giving it 23.9 per cent of the equity vote. Howard Machinery has offered to meet Diamond, controlled by Mr Stanley Mann, and Mr Alsop believes a meeting could be arranged very soon. He still sees no commercial logic behind Diamond's interest in Howard Machinery.

House of Fraser goes ahead on Barker plan

House of Fraser which is fighting a £155m takeover bid from Lonrho, has been given permission for a £20m internal redevelopment of the leasehold store Barkers in London's Kensington High Street.

The group will now begin talks with the freeholder—which has asked Fraser not to name it—and work should start early next year after the Christmas trading and January sales.

Development of Fraser's biggest store after Harrods, is estimated to take two years. Fraser wants to reduce the amount of selling space at Barkers—which is now making a loss—of 288,000 sq ft to 180,000 sq ft, giving over 200,000 sq ft to office and develop three shops and a multiple store which would partly front Kensington High Street.

Granting permission, The Royal Borough of Kensington said it did not want to see a supermarket on the site. Work will also have to be done on certain properties which back onto the store and owned freehold by Fraser.

The Barkers plan is part of a new approach by Fraser which began last August to "make assets sweat".

The proposed Lonrho takeover is currently being investigated by the Monopolies and Mergers Commission which should report around autumn this year.

Offer for Negretti is extended

The offer by Western Scientific Instruments for Negretti and Zambra has been extended to March 31 and will not be extended beyond that date unless it has become or has been declared unconditional.

Acceptances were received for 2.62m ordinary Negretti shares and the number of deferred shares (81.5 per cent of both) and 92.7 per cent of the 9 per cent preference and 94.8 per cent of the 3.5 per cent preference.

Why cobalt joined the slump

In the middle of last year, when the price of copper, the main product of the Zambia-based producer, plummeted, producers of cobalt, a by-product of copper, announced plans to increase output of cobalt by 25 per cent. Since then, demand for cobalt has deteriorated sharply, forcing both Zambia and Zaire, the western world's other major supplier, to cut prices.

This does not mean that cobalt producers—who include, albeit often on a very small scale, metal miners around the world—will be able to anticipate high demand for the material. It does mean, however, that those hiring their wagon to this technologically alluring metal are not guaranteed the regular income they so badly need.

At the end of 1979 the cobalt producers raised their official price by \$5 a pound to \$25 (£11). The free market price had reached about twice that during the invasion of Shaba province in 1978, and in the excitement that surrounded "space-age metals" the assumption that values would not fall below the producer price seemed reasonable.

But almost immediately after the producers put up their price, the free market began to fall. Despite much talk of co-operation between cobalt producers, Zaire unilaterally lowered its price to \$20 at the beginning of this month. The

Receiver appointed at Hawker Marris

After two years of losses, a receiver was appointed at Birmingham silver-plated tableware manufacturer Hawker Marris by its banker, Lloyds, yesterday.

The shares were suspended at 65p, valuing the company at £322,000. At the interim stage the group lost £199,000. Lloyds' appointed Peter Marwick, Mitchell as receiver at the board's invitation. The receiver said he hoped to restructure Hawker Marris and sell it as a going concern. Local broker Sabini Bacon White is already seeking a purchaser.

F Pratt optimistic despite recession

Mr W. G. Friggens, chairman of F. Pratt Engineering Corp., told the annual meeting that it would be irresponsible to give an impression that there is any sign of recovery in the worst recession which has hit the engineering industry in his experience.

Results for first six months of the current year will reflect this situation. But there are some signs that the recession is bottoming out, and that there should be a gradual recovery in the specialist fields which group serves towards the end of 1981 and early in 1982.

West Hampshire Water issue

Following the Sutton issue a week ago, West Hampshire Water is seeking to raise £2m through an offer of 8 per cent redeemable preference stock, 1986. At the minimum offer price of £102, the stock will yield 11.2 per cent and the indications are that the stock should open slightly above this level.

Mining

cut came days after a spokesman for the Société Zairoise de Commercialisation des Minerais, the state mining organization, had denied that a price reduction was imminent.

The Metal Marketing Corporation of Zambia (Memco) was forced to follow suit. But the cut, already delayed, was some distance behind the market. Cobalt is currently fetching about \$16 a pound, and market sources feel that it could go down. Since the price before the Shaba invasion was a mere \$6 a pound, a contemporary level of around \$12 would be realistic while demand is so weak.

The announcement by the United States General Services Administration that it proposes to purchase 1.2m pounds of the metal as part of the strategic stockpile programme, did not impress the market.

Although the GSA is expected to put the purchase to competitive tender, 1.2m pounds is only 550 tonnes, or 2.3 per cent of world annual production of about 24,000 tonnes. The price did go up by \$1 immediately after the GSA announcement, but soon resumed its downward path.

B & H build-up continues

By Our Financial Staff

Sheffield-based construction and mining group Burnett & Hallamshire Holdings is continuing its rapid acquisition programme with a \$1.2m (£530,000) property deal in California.

B & H's subsidiary, Hallam Overseas, has bought 75 per cent of British and Continental Development Corporation from K. S. Holdings which is to retain the other 24 per cent.

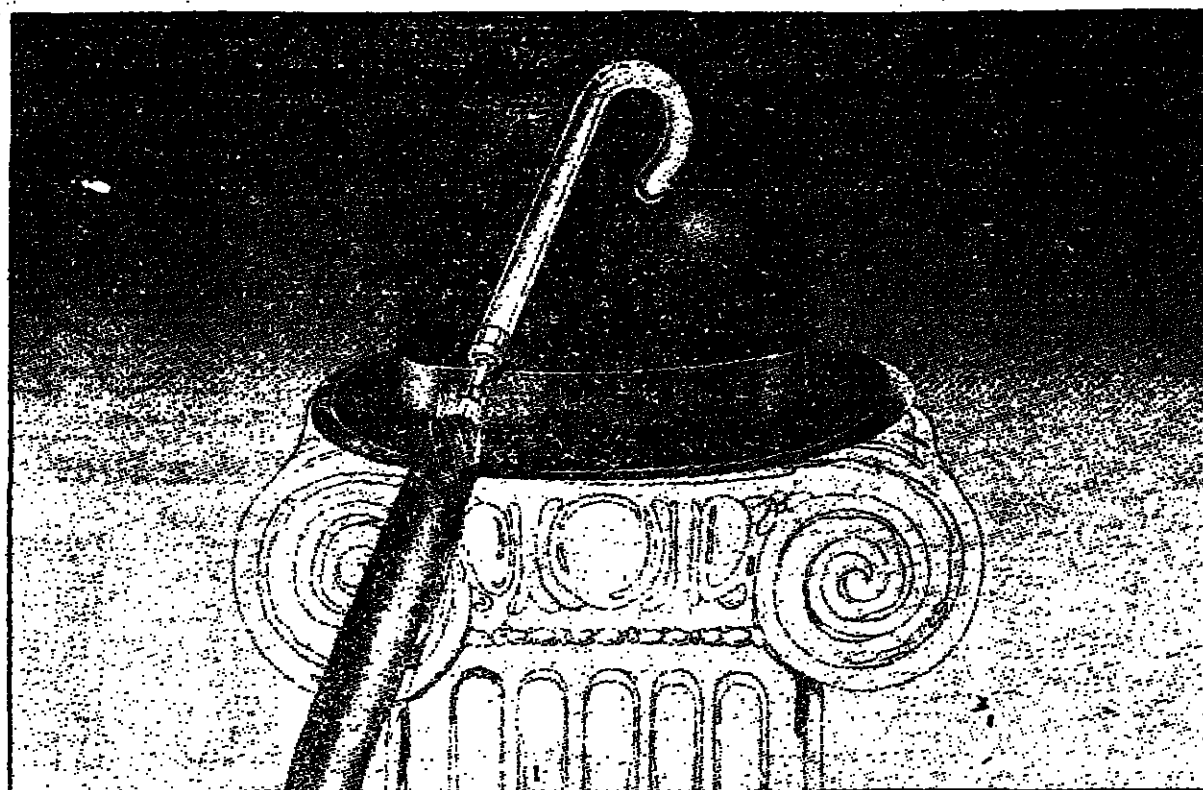
BCDC has the rights to two developments. One is a 13-acre office development at Scripps Ranch north of San Diego and the other is a 400-acre residential development east of Los Angeles. The latter will com-

prise the building of 800 homes, a golf course and a country club. BCDC owns the title to the land and will share in the profit with the contractor.

The deal comes after the sale by Hallam of a 15-unit condominium complex at Pacific Palisades in California, which was bought in 1980 and sold as a completed project earlier this year.

Earlier, this month B & H spent £4.5m on a United States coal site. In February it announced that it was heading a consortium to explore for coal in the Philippines, and in January it spent around £2.2m on Rushcliffe Fuels and Pineholt Development.

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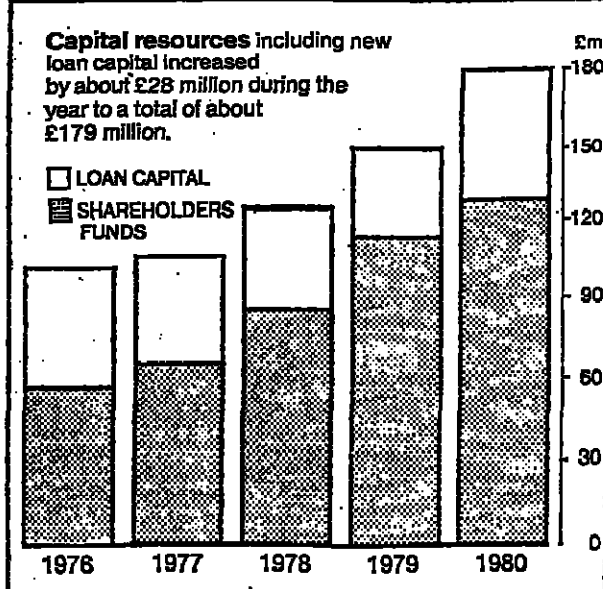
Grindlays Holdings Limited

The Board of Grindlays Holdings Limited have recommended increased dividends making a total for the year of 16.5% (1979 15%) 51 per cent of the shares of Grindlays Bank Limited are held by Grindlays Holdings which is quoted on the Stock Exchange, London. The balance of 49 per cent of the shares are owned by Citibank N.A., New York.

Grindlays

A year of consolidation

In his statement reporting on the 1980 results of Grindlays Bank Limited, the Chairman, Mr Nigel Robson said, "Although profits are lower in terms of sterling, the results reflect a considerable achievement when taking into account currency fluctuations, the difficult economic climate and continuing intense competition in international banking". For 1980 Group profits before tax were £34.8 million and net profits after tax and before extraordinary items were £15.4 million.



Group Deposits increased by 14% over 1979 and Advances by 9%.

1980 1979
Deposits £3630m £3196m
Advances £1992m £1835m

Overseas
Most overseas areas of the Group, including Africa, the Middle East and South Asia contributed to an increased level of earnings in local currency during 1980 with the increased contribution from the Pacific Basin being specially noteworthy.



Head Office: 23 Fenchurch Street, London EC3P 3ED

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[illegible][illegible]

Abidjan, March 18.—The Interim Management Committee of the Ghana Cocoa Marketing Board (CMB) is setting up a limited liability company within the CMB to be fully responsible for the evacuation of cocoa to the ports, Accra Radio reported.

A statement issued by the CMB said it is envisaged that this haulage company will be self-accounting and solely in charge of all the equipment and operations connected with cocoa evacuation from the producing centres to the ports.

Traders in Accra say the cocoa industry's evacuation problems are now worse than ever, because of the appalling roads and the shortage of vehicles and spare parts.

The radio said that until the formation of the new company the board would take a number of measures to make the evacuation exercise more efficient.

The produce-buying division will be made responsible for evacuation to the depot; uncertainty, while evacuation from the depots to the ports will be undertaken by the main board.

The radio said these measures take immediate effect.—Reuter.

The Eurosyndicat Index on European share prices was put provisionally at 153.59 on March 17 against 152.83 a week earlier.

Make-up day proved satisfactorily uneventful yesterday. There were early indications that there might be a large surplus, but this did not appear at surface level and authorities stayed out of the market.

Rares for secured money opened at about 11 1/2 per cent, but the pattern became a little uneven as the day progressed. The closing range was 11 1/4-11 1/2 per cent.

| | Market rates (day's %range) | Market rates (close) | | |
|------------|--------------------------------|-------------------------|---------------------|-----------------|
| New York | March 18 | \$2,770-2818 | 1 month | 3 months |
| London | \$2,868-2910 | \$1,40-132c | | 0.75-0.83c disc |
| Montreal | \$2,870-2940 | \$2,8925-2935 | 0.50-1.00c disc | 2.35-2.55c disc |
| Amsterdam | 11.13-11.17 | 78.80-80.00 | 100-105c disc | 1.00-1.05c disc |
| Frankfurt | 70.70-71.10f | 78.80-80.00 | 50-55c disc | 12-23c disc |
| Copenhagen | 141.71-178c | 145.75-178c | 20-25c disc | 60-65c disc |
| Stockholm | 1.25-1.30 | 1.25-1.30 | 100-105c disc | 10-15c disc |
| Frankfurt | 4.67-7.1m | 4.69-7.0m | Apr prem-April disc | 15c-Apr prem |
| London | 120.00-121.00 | 120.00-121.00 | 100 prem-105c | 10-15c disc |
| Madrid | 120.00-121.00 | 120.00-121.00 | 50 prem-55c | 70-125c disc |
| Bilbao | 2284-249f | 2280-2310f | 100-125c disc | 315-340c disc |
| Barcelona | 11.03-11.08 | 11.07-11.08 | 100-125c disc | 100-125c disc |
| Paris | 11.03-11.08 | 11.07-11.08 | 100-125c disc | 100-125c disc |
| Zurich | 497-77f | 497-77f | 100-125c disc | 100-125c disc |
| Vienna | 33.10-35.35c | 33.25-35.75c | 2.10-4.60y prem | 6.00-5.30y prem |
| Trieste | 33.10-35.35c | 33.25-35.75c | 2.10-4.60y prem | 10-80y prem |

Effective exchange rate compared to 1975, was up 8.3 at 108.2.

| Bank of Morgan Index Guaranty Index Changes | | | Rates |
|---|----------|-------|--------------------------------------|
| | 100.00 = | % | |
| Sterling | 100.2 | +0.5 | * Ireland 1,775.0-1,777.0 |
| U.S. dollar | 98.5 | -0.3 | + Canada 1,192.8-1,193.2 |
| Canadian dollar | 85.6 | -17.6 | Switzerland 2,670.0-2,670.0 |
| Schilling | 105.2 | +0.1 | Belgium 33.70-33.70 |
| Swedish krona | 105.2 | +0.1 | Denmark 4,650.0-4,670.0 |
| Danish kroner | 90.4 | -19.0 | West Germany 35.20-35.20 |
| Italian lire | 121.1 | +1.1 | Portugal 35.50-35.50 |
| Swiss franc | 130.7 | +10.4 | Spain 67.50-68.50 |
| Guilder | 113.0 | +5.7 | Italy 1,005.0-1,006.0 |
| French franc | 121.1 | +1.1 | Norway 5,220.0-5,300.0 |
| Lira | 81.2 | -21.9 | Sweden 4,870.0-4,870.0 |
| Yen | 145.0 | +11.0 | + Finland 4,575.5-4,582.5 |
| | | | Japan 207.50-207.70 |
| | | | Australia 3,435.0-3,437.0 |
| | | | South Africa 1,850.0-1,851.0 |
| Based on trade weighted changes from Washington agreement December 1971 | | | |
| * Bank of England Index 100. | | | |
| | | | * Ireland quoted in U.S. currency. |
| | | | + Canada \$1 to U.S. \$0.9451-0.9454 |

FMS Currency Rates

| | central | eastern | from central | southeast- | |
|---------------|---------|----------|--------------|------------|----------|
| | | | | | pluminus |
| Belgian franc | 38.7997 | 41.6871 | +4.69 | -1.16 | 1.53 |
| Danish krone | 7.7236 | 7.9894 | +0.42 | -0.09 | 1.94 |
| German D-mark | 2.45008 | 2.50944 | +0.37 | -0.16 | 1.25 |
| French franc | 5.54636 | 5.65497 | +0.37 | -0.27 | 1.39 |
| Dutch guilder | 0.24328 | 0.24123 | +0.22 | -0.12 | 1.12 |
| Irish punt | 0.67601 | 0.698524 | +0.49 | -0.56 | 1.65 |
| Italian lire | 1.5773 | 1.63910 | +0.10 | -0.37 | 4.08 |

+ changes are for the ECU therefore positive change denotes weak
+ adjusted for sterling's weight in the ECU, and for the lira's wider
- difference limits.
Adjustment calculated by The Times.

[illegible]

131-131: one month. 131¹⁴-131¹⁴:
two months. 131¹⁴-141¹⁴: six
months. 131¹⁴-141¹⁴:
pm, \$506.00 close, \$509.50.
Kruggerand (per coin): \$523-526
(\$229.5-230.75).
Sovereigns (new): \$127-128 (\$56.75-
56.75).

The dollar firmed at or near its lowest levels of the day on foreign exchange markets yesterday. Sterling ended at \$2.2795, having climbed to \$2.2810 late in the session. The exchange rate index rose by nearly 0.3 to 100.2, the best for another month.

The dollar's weakness against the pound was due to an abundance of U.S. interest rates declining further. Eurodollars fell by as much as 1/8 percent, and the Fed cut rates of powers to an all-time U.S. economy. During the afternoon, Irving Trust lowered its broker-loan rate from 16 per cent to 15 1/2 per cent, and the New York City Fed apparently making no attempt in money markets to discourage the decline.

Central currencies stronger against the dollar included the German mark, up from 2.0855 to 2.0865, the Swiss franc to 1.8975 from 1.8960, the French franc, up from 4.9170 to 4.8860.

The Japanese yen, however, fell from 207.50 to 207.60 against the dollar.

| | |
|--------------|-----------------|
| Australia | 1.99-1.9450 |
| Bahrain | 0.8350-0.8563 |
| Finland | 9.09-9.13 |
| Greece | 113.60-115.80 |
| Hongkong | 11.6205-11.6605 |
| Israel | Not available |
| Kuwait | 6.6185-6.6215 |
| Malaysia | 5.1165-5.1464 |
| Mexico | 52.90-54.40 |
| New Zealand | 2.4375-2.4375 |
| Saudi Arabia | 7.5820-7.6120 |
| Singapore | 4.71-4.74 |
| South Africa | 1.7745-1.7895 |

| | | |
|--|----------|----------------|
| Base Rate 12% 1 Loans% High 12 12 | | Low 11½ |
| Treasury Bills (Dis%) | | |
| 1½ | 2 months | 11½ |
| 1½ | 3 months | 11½ |
| Bank Bills (Dis%) | | |
| 1½-11½ | 3 months | 12½ |
| 1½-11½ | 4 months | 12½ |
| 1½-11½ | 6 months | 11½ |
| Trades (Dis%) | | |

Local Authority Bonds

| | | | | | | | |
|--------------|--------|--------|---------------|--------|--------|----------------|--------|
| Alcoa | 36 3/8 | 36 3/8 | Gen Dynamics | 42 1/2 | 42 1/2 | Raynolds Ind | 43 |
| Am Bk | 36 3/8 | 36 3/8 | Gen Electric | 42 1/2 | 42 1/2 | Reynolds Metal | 43 1/2 |
| Am Can | 36 3/8 | 36 3/8 | Gen Foods | 42 1/2 | 42 1/2 | Rockwell Int | 44 |
| Am Chem | 36 3/8 | 36 3/8 | Gen Motors | 42 1/2 | 42 1/2 | Royal Dutch | 44 1/2 |
| Am Electric | 36 3/8 | 36 3/8 | Gen NY | 42 1/2 | 42 1/2 | Schlumberger | 45 |
| Am Express | 36 3/8 | 36 3/8 | Gen Tel Elec | 42 1/2 | 42 1/2 | Sig Bee Paper | 46 1/2 |
| Am Broadcas | 36 3/8 | 36 3/8 | Gen Tire | 42 1/2 | 42 1/2 | Studebaker | 47 1/2 |
| Am Sugar | 36 3/8 | 36 3/8 | Gen Trans | 42 1/2 | 42 1/2 | Swiss Re | 48 1/2 |
| Am Dynamind | 36 3/8 | 36 3/8 | Gen Pacifi | 42 1/2 | 42 1/2 | Swiss Reberg | 49 1/2 |
| Am Ind Power | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Tenn Paper | 50 1/2 |
| Am Home | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 51 1/2 |
| Am Ind | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 52 1/2 |
| Am Nat Res | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 53 1/2 |
| Am Standard | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 54 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 55 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 56 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 57 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 58 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 59 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 60 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 61 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 62 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 63 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 64 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 65 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 66 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 67 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 68 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 69 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 70 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 71 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 72 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 73 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 74 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 75 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 76 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 77 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 78 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 79 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 80 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 81 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 82 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 83 1/2 |
| Am Steel | 36 3/8 | 36 3/8 | Genl Electric | 42 1/2 | 42 1/2 | Union Carbide | 84 1/2 |
| Am Steel | | | | | | | |

[illegible]

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|---|
| <p> SA futures closed sharply higher expectations of further inflation. 32 1/2 to 33 1/2. May, 32 1/2; 32 1/2 to 28 1/2. June, 28 1/2; 28 1/2 to 29 1/2. July, 29 1/2; 29 1/2 to 30 1/2. Aug., 30 1/2; 30 1/2 to 31 1/2. Sept., 31 1/2; 31 1/2 to 32 1/2. Oct., 32 1/2; 32 1/2 to 33 1/2. Nov., 33 1/2; 33 1/2 to 34 1/2. Dec., 34 1/2; 34 1/2 to 35 1/2. Jan., 35 1/2; 35 1/2 to 36 1/2. Feb., 36 1/2; 36 1/2 to 37 1/2. Mar., 37 1/2; 37 1/2 to 38 1/2. Apr., 38 1/2; 38 1/2 to 39 1/2. May, 39 1/2; 39 1/2 to 40 1/2. June, 40 1/2; 40 1/2 to 41 1/2. July, 41 1/2; 41 1/2 to 42 1/2. Aug., 42 1/2; 42 1/2 to 43 1/2. Sept., 43 1/2; 43 1/2 to 44 1/2. Oct., 44 1/2; 44 1/2 to 45 1/2. Nov., 45 1/2; 45 1/2 to 46 1/2. Dec., 46 1/2; 46 1/2 to 47 1/2. Jan., 47 1/2; 47 1/2 to 48 1/2. Feb., 48 1/2; 48 1/2 to 49 1/2. Mar., 49 1/2; 49 1/2 to 50 1/2. Apr., 50 1/2; 50 1/2 to 51 1/2. May, 51 1/2; 51 1/2 to 52 1/2. June, 52 1/2; 52 1/2 to 53 1/2. July, 53 1/2; 53 1/2 to 54 1/2. Aug., 54 1/2; 54 1/2 to 55 1/2. Sept., 55 1/2; 55 1/2 to 56 1/2. Oct., 56 1/2; 56 1/2 to 57 1/2. Nov., 57 1/2; 57 1/2 to 58 1/2. Dec., 58 1/2; 58 1/2 to 59 1/2. Jan., 59 1/2; 59 1/2 to 60 1/2. Feb., 60 1/2; 60 1/2 to 61 1/2. Mar., 61 1/2; 61 1/2 to 62 1/2. Apr., 62 1/2; 62 1/2 to 63 1/2. May, 63 1/2; 63 1/2 to 64 1/2. June, 64 1/2; 64 1/2 to 65 1/2. July, 65 1/2; 65 1/2 to 66 1/2. Aug., 66 1/2; 66 1/2 to 67 1/2. Sept., 67 1/2; 67 1/2 to 68 1/2. Oct., 68 1/2; 68 1/2 to 69 1/2. Nov., 69 1/2; 69 1/2 to 70 1/2. Dec., 70 1/2; 70 1/2 to 71 1/2. Jan., 71 1/2; 71 1/2 to 72 1/2. Feb., 72 1/2; 72 1/2 to 73 1/2. Mar., 73 1/2; 73 1/2 to 74 1/2. Apr., 74 1/2; 74 1/2 to 75 1/2. May, 75 1/2; 75 1/2 to 76 1/2. June, 76 1/2; 76 1/2 to 77 1/2. July, 77 1/2; 77 1/2 to 78 1/2. Aug., 78 1/2; 78 1/2 to 79 1/2. Sept., 79 1/2; 79 1/2 to 80 1/2. Oct., 80 1/2; 80 1/2 to 81 1/2. Nov., 81 1/2; 81 1/2 to 82 1/2. Dec., 82 1/2; 82 1/2 to 83 1/2. Jan., 83 1/2; 83 1/2 to 84 1/2. Feb., 84 1/2; 84 1/2 to 85 1/2. Mar., 85 1/2; 85 1/2 to 86 1/2. Apr., 86 1/2; 86 1/2 to 87 1/2. May, 87 1/2; 87 1/2 to 88 1/2. June, 88 1/2; 88 1/2 to 89 1/2. July, 89 1/2; 89 1/2 to 90 1/2. Aug., 90 1/2; 90 1/2 to 91 1/2. Sept., 91 1/2; 91 1/2 to 92 1/2. Oct., 92 1/2; 92 1/2 to 93 1/2. Nov., 93 1/2; 93 1/2 to 94 1/2. Dec., 94 1/2; 94 1/2 to 95 1/2. Jan., 95 1/2; 95 1/2 to 96 1/2. Feb., 96 1/2; 96 1/2 to 97 1/2. Mar., 97 1/2; 97 1/2 to 98 1/2. Apr., 98 1/2; 98 1/2 to 99 1/2. May, 99 1/2; 99 1/2 to 100 1/2. June, 100 1/2; 100 1/2 to 101 1/2. July, 101 1/2; 101 1/2 to 102 1/2. Aug., 102 1/2; 102 1/2 to 103 1/2. Sept., 103 1/2; 103 1/2 to 104 1/2. Oct., 104 1/2; 104 1/2 to 105 1/2. Nov., 105 1/2; 105 1/2 to 106 1/2. Dec., 106 1/2; 106 1/2 to 107 1/2. Jan., 107 1/2; 107 1/2 to 108 1/2. Feb., 108 1/2; 108 1/2 to 109 1/2. Mar., 109 1/2; 109 1/2 to 110 1/2. Apr., 110 1/2; 110 1/2 to 111 1/2. May, 111 1/2; 111 1/2 to 112 1/2. June, 112 1/2; 112 1/2 to 113 1/2. July, 113 1/2; 113 1/2 to 114 1/2. Aug., 114 1/2; 114 1/2 to 115 1/2. Sept., 115 1/2; 115 1/2 to 116 1/2. Oct., 116 1/2; 116 1/2 to 117 1/2. Nov., 117 1/2; 117 1/2 to 118 1/2. Dec., 118 1/2; 118 1/2 to 119 1/2. Jan., 119 1/2; 119 1/2 to 120 1/2. Feb., 120 1/2; 120 1/2 to 121 1/2. Mar., 121 1/2; 121 1/2 to 122 1/2. Apr., 122 1/2; 122 1/2 to 123 1/2. May, 123 1/2; 123 1/2 to 124 1/2. June, 124 1/2; 124 1/2 to 125 1/2. July, 125 1/2; 125 1/2 to 126 1/2. Aug., 126 1/2; 126 1/2 to 127 1/2. Sept., 127 1/2; 127 1/2 to 128 1/2. Oct., 128 1/2; 128 1/2 to 129 1/2. Nov., 129 1/2; 129 1/2 to 130 1/2. Dec., 130 1/2; 130 1/2 to 131 1/2. Jan., 131 1/2; 131 1/2 to 132 1/2. Feb., 132 1/2; 132 1/2 to 133 1/2. Mar., 133 1/2; 133 1/2 to 134 1/2. Apr., 134 1/2; 134 1/2 to 135 1/2. May, 135 1/2; 135 1/2 to 136 1/2. June, 136 1/2; 136 1/2 to 137 1/2. July, 137 1/2; 137 1/2 to 138 1/2. Aug., 138 1/2; 138 1/2 to 139 1/2. Sept</p> |
|---|

| | | | | |
|---------|-----------------------|----------|----------|-----------------|
| Foreign | Exchange.—Sterling, | 991.06 | | transport |
| | Oct. 30, 1898, 997.07 | 1898-99, | 1,298.31 | utilities, Aug. |

[illegible]

| 1980/81 | 1980/81 | 1980/81 | 1980/81 | 1980/81 |
|---------|---------|---------|---------|---------|
|---------|---------|---------|---------|---------|

[illegible]

